

INTELLIGENCE ANALYSIS OF THE LONG RANGE MISSILE THREAT TO THE UNITED STATES

Y 4. IN 8/19: S. HRG. 104-854

Intelligence Analysis of the Long R...

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE

OF THE

UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

INTELLIGENCE ANALYSIS OF THE LONG RANGE MISSILE THREAT TO
THE UNITED STATES

WEDNESDAY, DECEMBER 4, 1996

Printed for the use of the Select Committee on Intelligence



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INTELLIGENCE ANALYSIS OF THE LONG RANGE MISSILE THREAT TO THE UNITED STATES

WEDNESDAY, DECEMBER 4, 1996

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Select Committee met, pursuant to notice, at 9:34 a.m., in room SH-216, Hart Senate Office Building, the Honorable Arlen Specter (Chairman of the Committee) presiding.

Present: Senators Specter, Shelby, Kyl, Inhofe, Hutchison, Kerrey of Nebraska, Glenn, Baucus, and Robb.

Also present: Charles Battaglia, Staff Director; Chris Straub, Minority Staff Director; Suzanne Spaulding, Chief Counsel; and Kathleen McGhee, Chief Clerk.

Chairman SPECTER. We have an unusually important hearing today on the threat of nuclear missiles and other weapons of mass destruction, the threat to the United States of America. And we have an extraordinarily distinguished panel of witnesses here, including two former Directors of the Central Intelligence Agency.

About a year ago, the United States Intelligence Community published a National Intelligence Estimate entitled "Emerging Missile Threats to North America During the Next Fifteen Years." And that report was used as the basis for some in the Administration to defer a missile defense system in our country. The conclusions were controversial and subject to disagreement, and among those who were in disagreement, some contended that there was politicization in the report, and that there was a political motivation for the conclusions of the report.

The Director of Central Intelligence, Dr. Deutch, commissioned a panel, independent experts, to study the report and to give an evaluation of it. The controversies on the missile defense problem have been with us for a very, very long period of time. After the anti-ballistic missile treaty in 1972, it has been a subject of controversy over the intervening two decades. In the late 1980's, a lot of controversy over the narrow versus the broad interpretation of the anti-ballistic missile treaty as to what our nuclear defenses should be.

With the demise of the Soviet Union, there is a lessening, perhaps a lessening of the threat from the Soviet Union, but always a threat from other countries—Iraq, Iran, other rogue countries—so that the issue of nuclear defense is one which is always very, very hotly debated.

The Intelligence Committee undertook an investigation on the issue and a report has been prepared, and the Committee decided, after Senator Kerrey, the Vice Chairman, and I consulted on the matter, to defer the release of that report until after the election. We had a couple of hot potatoes. One was the issue of the sale of Iranian arms to Bosnia, and this issue about politicization. And as we near the end of the 104th Congress and the end of my tenure as Chairman, I again thank Senator Kerrey and the entire Committee for cooperation in our work. We have worked hard, and I think successfully, to keep this a non-partisan, bipartisan Committee, something that is very important and, regretfully, something that is not done in the Congress all too frequently. We are about to set out—not this Committee—an important investigation on campaign financing. And it is my hope that I will be on that Committee, that we will do that in a non-partisan, bipartisan basis as we have run this Committee.

But I make reference to the fact that we deferred our release of the Committee report until after the election, along with the release of the issue of the Bosnian sale of arms to—Iranian sale of arms to Bosnia.

We pick up this subject today at a time when there are many Senators in town with the reorganization of the Senate yesterday, and Director Deutch has deferred coming here today and instead has sent Mr. John E. McLaughlin, who is the Vice-Chairman for Estimates, National Intelligence Council, to review the report.

Just 2 days ago, on Monday, December 2, this Committee received a report of the independent group appointed by Director Deutch. This group is headed by former Director of Central Intelligence, Robert Gates. At the moment, we have a report which has not been declassified. There are portions which are unclassified, and we are able to refer to those today. Yesterday, I talked to Director Deutch about having the full report de-classified and he said he would do that as soon as he could.

Director Deutch will testify before this Committee on December 18, 2 weeks from today, and we'll be discussing this report and other matters in a wrap-up session. But there's a fair amount of the report which is unclassified, and it is a very telling report.

The question of whether there was politicization is obviously a question of great importance, but I think of even greater importance is, what is the nuclear threat to the United States, and that is a matter of survival. Nothing is more important than that question, even more important than U.S. politics. And the report that former DCI Director Gates will testify to today has some really very, very important conclusions beyond the politicization issue: Characterizing the report as not being politicized but being naive; going into some important subjects about motivations, which are important as these analyses are made; touching on the question of whether weapons are terror weapons as opposed to weapons which are militarily useful. A terror weapon is defined as being one which is developed, has enormous potential, probably never tested, but to terrorize the opposing country to encourage or induce them to do something that they might not otherwise want to do, raising the issue as to the bankruptcy of the Soviet Union in the 1980's, trying to keep up with the rearmament of America at that time. President

Reagan said the Soviets loved the arms race as long as they were the only ones in it. Then the United States picked it up in the 1980's. The Soviets tried to keep up and, as we all know, went bankrupt in the process.

The central conclusion is a very interesting one, I think, subject to challenge, subject to at least a discussion about no major threat in the next 15 years, although the report concedes that 15 years is a very long time to make any analyses because there could be a change in policy in Russia or China. And there's always a possibility of a rogue country, Iran, Iraq, other countries, developing a nuclear threat.

On the question of both the nuclear threat and the question of politicization and candid testimony, there's an important story on the front page of today's newspaper about a speech which former Air Force General George Lee Butler will give today. According to the press report, General Butler, is "Slated to give a lunchtime speech in Washington in which he will make a dramatic departure from the views he publicly espoused as commander in chief of America's nuclear arsenal."

When he was in command for many years, he articulated one point of view, and now he's about to say that it's "fundamentally irrational," our policy. I wonder when we see speeches like this—and I'm certainly glad he's making a speech to express what is on his mind—why we don't have candid statements at a much earlier stage, for the Congress and for the American people. He's in the chain of command. We very frequently get information around Robin Hood's barn. We can't get it through the Administration. And the Secretaries come talk to us behind closed doors to find out what they really think, because they can't tell us openly.

But when it comes to an issue like the nuclear threat, it would be very gratifying if the Congress knew what the honest views were of people in high positions. We shouldn't have to wait until they're retired and making a lunchtime speech in Washington to find out what they really think. That's not politicization in the sense of trying to gain political advantage, but it certainly keeps from the Congress important information that we ought to have at an early stage. And this is a matter of overwhelming importance.

Shortly before we started I told Mr. Gates that I was going to discuss with him this chart prepared by my office on the issue of the way the Government responds to the nuclear threat. There are 96 boxes here, of separate agencies, and Bob Gates told me something I didn't know. He had a similar chart like this in 1992. I didn't see his chart; he saw mine. And as part of our Intelligence Committee report, the bill this year, we provided for a commission to try to streamline the way the Government works in this very, very important area. So, there's a lot we have to talk about today.

I'd like to yield now to my distinguished Vice Chairman, Senator Kerrey.

Vice Chairman KERREY. Thank you very much, Mr. Chairman.

I was just saying to Senator Glenn as far as Lee Butler's giving a speech, that I've seen some of our former colleagues do the same thing—tell the truth after they leave office.

[General laughter.]

Vice Chairman KERREY. Mr. Chairman, first of all, I very much appreciate your calling this hearing on something that I think is a very essential, a very crucial national security subject. This NIE that we're discussing today may be a year old, but its topic, which is the missile threat facing the country, will demand our concentration for years to come. And I also say at the outset that I appreciate as well the efforts of our colleague, Senator Kyl, to keep us focused on this matter.

I think we, as a Committee, as a Senate, stand together on at least one fundamental point involving missile defense. And that is that we want the Intelligence Community to do its job so the Administration and the Congress have the information they need to protect the independence of our country, and the lives of our people. It's inevitable the National Intelligence Estimate in question, this NIE 95-19, would be controversial. Any meaningful pronouncement on a topic at the center of our defense debates would generate controversy. For some people, having to recognize the near-term potential ballistic missile threat is to admit profound disappointment that the need for complex sophisticated defenses did not disappear with the Soviet Union.

For others, portraying anything more distant than a near-term threat is to provide a false basis for wasting precious time rather than preparing the defenses they believe we will need.

With this kind of division, simply stated, of course, it's not going to be possible for an Estimate like this to please everyone, let alone anyone. But then the Intelligence Community is not in the business of trying to please us. Their business is to try to give us the honest and best Estimate of the threat and the threat to our country. Our business, as an Oversight Committee, is to try to determine if they had done so.

Historically, one of the greatest threats to the legitimacy of intelligence analysis has been the politicization of that analysis. The fact, or even the perception, that analysts have skewed their conclusions to please their political or bureaucratic masters is not good. If intelligence is not seen as completely objective, it has no value, despite all the human and technical investment the Government made to produce it. That's why this Committee reacts with vigor whenever politicization is raised in connection with a particular piece of intelligence. When a Member of this Committee said on the floor concerning this Estimate, "I think that this National Intelligence Estimate is dramatically influenced by the White House," and when another Member of the Committee declared on the floor regarding this Estimate, "Either the Intelligence Community has adopted a new methodology to determine the extent of a threat, or outside, maybe even political influences are at play," this Committee would have been derelict if it had not immediately inquired into whether politicization occurred.

Let me be clear, Mr. Chairman, the Members who stated their concerns about the politicization of the Estimate were entirely within their rights to do so. They made appropriate points about an estimate which has attracted considerable criticism from other sources, including former Director Jim Woolsey, who is prepared to testify this morning, as well as one of the customers who requested

the Estimate, Lieutenant General Malcolm O'Neill, of the Ballistic Missile Defense Organization.

So, the Members who raised these concerns were in good company. And I might point out it may be that tomorrow I will raise similar complaints about some estimate that I might not like, or that I might believe has been politicized in the production of the report.

The staff report has been complete for months, but unfortunately, and perhaps understandably, some of our Members object to its publication. They have raised procedural objections and objections on the grounds that staff were not authorized to conduct an inquiry. But again, I say, frankly, that I think this—their principle concern is they just simply don't agree with the report's conclusion that the Estimate was not politicized. I believe, in fact, had the report found rampant politicization, they might have been more eager to see it broadly circulated.

Again, I support it and I support publishing our staff report, because I believe public statements about politicization require public answers. I also support the Chairman's request to delay discussion of this until we had a hearing. And I'll look—as I said, I do look forward to the testimony.

Fortunately, the Defense Authorization Bill required another nonpartisan objective analysis of this Estimate by a panel headed by another distinguished former DCI, Mr. Gates. The Gates report is complete in draft form. The Gates panel took a broad approach and looked not only at politicization but at all the criticisms of the Estimate. If the Gates report is approved by Director Deutch and if it can be largely declassified, it might obviate the need for a Committee report on the same topic. There is no question the draft Gates report contains more data to inform and educate the public on this threat than does the more narrow staff inquiry of this Committee.

Mr. Chairman, as we hear the testimony of this report, I hope that the Committee will consider a course of action that might have us releasing the Gates report as our report in order to get the best nonpartisan information before the American public.

Again, I thank you, Mr. Chairman, for holding this hearing. I look forward to the testimony.

Chairman SPECTER. Thank you, Senator Kerrey.

The course which you suggest is under consideration as to what ought to be done with our staff report, and when we have a chance to study in detail the full Gates report and we have this hearing, then we'll be in a position to move ahead on that subject.

We have scheduling problems because Mr. Gates must leave here by 11:30. We have good attendance so far, and I expect more Members to be present. We're going to lead with Mr. McLaughlin, since he will outline the basic report, the one that we are talking about. And we're going to hold the questions on Mr. McLaughlin until after we've heard from Mr. Gates and have a chance to question Mr. Gates, so that we can do our very best to get him out on time, because he has a lot of other commitments.

Senator Glenn.

Senator GLENN. I want to associate myself completely with Senator Kerrey's statement. I think that was complete and it laid it

out very carefully. These are very serious charges, made in the open on the Senate floor. I think the burden of proof is on those who made those charges on the Senate floor. We have a bipartisan staff here and they work on a bipartisan basis. They don't work as Republicans and Democrats. And they investigated all this and came out with their report. It was a good report. We've had months to look into this issue. So I associate myself with Senator Kerrey. I think that the burden of proof is on those who made those charges.

I'd rather these concerns were raised privately within the Committee. I think that's how we should operate. I don't think we should be out publicly on these matters unless we absolutely have to have public hearings. I'm glad we're looking into these charges. And I hope we consider these matters very carefully before we make public statements out of this Committee on the Senate floor in the future.

Thank you, Mr. Chairman.

Chairman SPECTER. Senator Glenn has raised some important points. And, if we're going to get into it, and we're already into it, we'll discuss it. In a moment I'll call on Senator Kyl for a comment.

Senator KYL. Thank you.

Mr. Chairman, I—

Chairman SPECTER. Wait just a minute. I'm going to call on you in a moment.

Senator KYL. Oh, I'm sorry.

Chairman SPECTER. First, I'm going to make a comment.

We're in a very delicate area as to who says what and when. My own view is that it's up to each Senator to make that decision for himself. Those who claim politicization may be wrong. But I think they have a right to speak out on it. If they're wrong, I think they ought to be challenged on it. When the statements were made, they were disagreed with. But others were free to take it to the Senate floor and disagree with them. Then we conducted an inquiry.

We do have a non-partisan staff, and we've run this Committee in a non-partisan way. It was a tough call as to how we were going to deal with our own report. Senator Kerrey and I worked on that long and hard and made a judgment on it and submitted it to the rest of the Committee, and that was the Committee decision. I respect what Senator Glenn has said. But I also respect what Senator Kyl has said. It's your turn for rebuttal, Senator Kyl.

Senator KYL. Well, thank you Mr. Chairman.

I won't take that opportunity, because I know that we have witnesses here who have important things to say. I would just make this point. While I wasn't one of the people who alleged the report was politicized, I did ask a question on the floor of the Senate given the fact that the facts did not appear to have been changed suggested that the methodology in the 1995 report must have changed from the 1993 report. And I did ask a question about whether/or it might have been politicized.

We now have two very competent reports, both from the GAO and the Special DCI panel called the Gates Panel. And I am pleased, in a way, that the conclusion of the Gates Panel is that, while there was no politicization in the normal sense that we would think of the term, the document was politically naive, but the

methodology was deeply flawed. And that's the part that's not so pleasing.

So there clearly was a difference between the 1993 report and the 1995 report. It's not due to politicization apparently, but due to flawed methodology. That should not please us in the sense that we still came out with a bad product.

Mr. Chairman, I agree with you. The issue is no longer politicization—it's the degree of the nuclear—of the threat of weapons of mass destruction. I appreciate the work that you have done, that Senator Kerrey has done, and that we will continue to do to try to ensure that we have the best information, and that the Administration has the best information about the degree of that threat. That's the critical issue. Anything that gets in the way of that—whether it be politicization or flawed analysis or flawed methodology—is bad. I'm hoping that when this is all over with, we can provide some constructive, positive suggestions to the DCI and to the Administration about how to avoid this unfortunate result in the future. Thank you, Mr. Chairman.

Chairman SPECTER. I'd like to move ahead with the witnesses. But I see Senator Shelby wants to make a comment, and I don't want to cutoff any of my colleagues.

Senator SHELBY. Mr. Chairman, I'll be brief.

I would just like to say this, Mr. Chairman, that I commend you for holding this hearing. I think it is very, very important. But we have to keep in mind, what is an estimate? An estimate is a prediction of future. And as Senator Kyl has brought up, if the methodology—I just raise it rhetorically—if the methodology is flawed or questionable, what is the estimate? You know, that brings into call, what is the estimate? Is it wrong? I don't know. But I think we need to find out, and that's why you're getting into these hearings. We want to hear what people are going to say about this. We already know some of it. But we need to hear it.

Thank you.

Chairman SPECTER. Well, we inquire in detail into the methodology beyond any question.

Senator SHELBY. Absolutely.

Chairman SPECTER. Because the nature of the threat and what the facts are is really No. 1. The politicization question is important, but it's obviously No. 2 in this context.

Senator BAUCUS. Mr. Chairman.

Chairman SPECTER. Senator Baucus.

Senator BAUCUS. Mr. Chairman, I'd like not to take too much of the Committee's time. I know we have witnesses here we want to hear from.

I must say though, I do not like the drift that this Committee is tending toward, that is more partisan rather than non-partisan. And I think we should all be reminded—all of us, myself included—that we'd do a lot better in serving the public interest and serving the country the more this Committee remains truly non-partisan or bi-partisan in its approach. I urge all of us to keep that in mind, not only today, but in future aspects.

Chairman SPECTER. Well, Senator Baucus, I agree with you. The Committee ought to be non-partisan, but I think the Committee has been non-partisan. We're all entitled to our own opinions.

Mr. McLaughlin, we welcome you here.

You come today with an extraordinarily distinguished record, having been with the Central Intelligence Agency since 1972. Had worldwide experience, Director of European Analysis, Director of Slavic and Eurasian Analysis, concentrating on political, economic, and military issues in Russia and the 14 new states.

And since July of last year, you have served as Vice Chairman for Estimates, National Intelligence Council, and are in a position to give us the first line of testimony on the intelligence report which is subject to analysis here today—National Intelligence Estimate 95-19, Emerging Missile Threats to North America During the Next Fifteen Years. The Committee had asked Director Deutch to be here and he has deferred to you. As I said earlier, he will be before the Committee 2 weeks from today, and I think at that time we'll have the full report declassified.

Your full statement will be made a part of the record. To the extent you can limit your comments to 5 minutes, we would appreciate it. If you need to go somewhat over, we'll understand that. But the bulk of your testimony will doubtless occur during the dialog Q&A following.

So, the floor is yours, Mr. McLaughlin.

STATEMENT OF JOHN E. McLAUGHLIN, VICE CHAIRMAN FOR ESTIMATES, NATIONAL INTELLIGENCE COUNCIL

Mr. McLAUGHLIN. Senator Specter, Senator Kerrey, other Members of the Committee, thank you. I will limit my comments to a summary of the written statement that we have submitted.

Chairman SPECTER. Thank you.

Mr. McLAUGHLIN. Serious issues are on the table today. As you note, Senator Specter, the subject of the Estimate in question, our vulnerability to missile attack, is of supreme importance to the country. But it is also not inconsequential that the findings of this Estimate have come under sharp attack, along with the motives of those who prepared it.

I intend to address all of these by focusing on three areas in these brief remarks.

What the Estimate actually says.

The process by which it was produced.

And then I would like to respond briefly to some of the criticism it has received.

By way of preface, I would say that after a year of criticism, we still regard this Estimate as a sound intelligence product, one that reports clearly the results of analytic work in response to the questions of those who requested it.

Now, what does this Estimate say? What is it about? It seeks to gauge the threat to North America, including Canada and all 50 of our States, from emerging missile forces in the world. Because Russia and China are extensively covered in other intelligence publications, we do not go into detail on their missile forces in this Estimate, other than to note two things: First, that unauthorized launch of Chinese or Russian missiles remains, in our view, remote—a remote possibility. And second, that we would become more concerned about this in the event of a severe internal crisis in either country. And as with all National Intelligence Estimates,

this one sought to project events over a period of time, as Senator Shelby pointed out—in this case, 15 years.

Now, what does it conclude—just to briefly review what it actually says. First, among the countries potentially hostile to the United States, North Korea has the most advanced ballistic missile program. We've identified a missile in development that we call the TAEPO DONG II, and it may become capable of reaching Alaska and the western-most portions of the Hawaiian Island chain.

Second, no country other than the declared nuclear powers will develop or otherwise acquire ballistic missiles capable of reaching the contiguous 48 States or Canada by 2010. North Korea is the only potentially hostile country capable of developing a ballistic missile threat to any part of the United States by 2010.

Third, the Estimate goes on, we are confident that we would detect and identify flight testing of any country's developmental ICBM at least 5 years before deployment, and probably detect other additional indicators years before flight testing.

Fourth, while the factor of foreign assistance introduces some uncertainty into our predictions of developmental time lines, our assessments do include the range of reasonable possibilities. We expect no country that currently has ICBM's will sell them, partly out of concern that the missile might be turned against them.

Fifth, we also noted that within the next 15 years, countries may obtain land attack cruise missiles to support regional military goals. Adapting these relatively short-range missiles to launch from ships would be easier and less detectable than an ICBM program but we judge this an unlikely course.

Finally, a very important point: The fact that we project out 15 years does not mean that we can safely dismiss this subject until well into the next century. We are not complacent. This is one of the highest priorities of the Intelligence Community. Our analytic work will continue; we will monitor developments; we will pursue collection, and bring to the attention of the President and to Congress new information and analysis on this subject.

Now, how was this Estimate produced? Let me talk for a moment about that. National Estimates are unique in many ways.

First, they represent the views of the entire Intelligence Community, not just a single agency or analyst. Eight separate agencies contributed in various ways to this Estimate.

Second, Estimates strive to ensure the presentation of all points of view. We do not impose consensus. Disagreements are recorded in the text. This Estimate was no exception, although the differences among experts were not great.

Third, Estimates are also unique—another important point—in that they focus more consistently on future trends than most intelligence analyses, and, in doing so, they strive to reduce the uncertainties for our policymakers on the most contentious issues facing them.

Now, analysts preparing these Estimates have to wrestle with a number of difficult conceptual dilemmas, and I'd like to mention a few of them, because how we deal with these often affects how Estimates are received. And I think that's been the case in this instance, in particular. For example, we struggle to balance the policymaker's demand for brevity against another thing: our desire to

lay out all the evidence to support our often controversial judgments. When we conclude we should lay out all the evidence, we must balance this against the risk of unauthorized disclosure. At the same time, we must balance the reader's desire for clarity in judgment against the need to note the uncertainties, the gaps, the qualifiers, and the alternative outcomes. When we go too far in the latter direction, we don't serve you very well. It leads to charges that we are waffling.

In the case of the present Estimate, we may have leaned too far toward brevity. No one has accused us, though, of waffling. Indeed, while some have criticized this Estimate for too little emphasis on the uncertainties, others have praised it for not obfuscating or seeking refuge in the least common denominator judgment, all of which has contributed to the controversy.

And this leads me to a final point I'd like to make about Estimates. Some years ago, the country's most senior practitioner of estimates responded to my query about the purpose of the business by noting simply that it was above all to "raise the level of debate about the future." His point was that controversy about estimates is not necessarily bad, that intelligence estimates—because they deal with the future—must never be portrayed as the last word, or some kind of revealed wisdom. And that policymakers and intelligence analysts can benefit from the very thorough airing of the issue that results. It is in that spirit, that we come here today, Mr. Chairman.

Now finally, in closing, I won't take time to go through every critical comment about the Estimate. But I would like to give you our perspective on three of the more sweeping charges we have heard over the last year.

By far, the most serious is the one that has been discussed here already. And that is that the conclusions of the Estimate were politically influenced and that we in essence took orders from someone in the political arena rather than living up to the most basic tenet of our profession, that is to "call it as we see it." This is the most serious charge you can level at an intelligence officer, as some of you have suggested. And I really can't let the occasion pass without rejecting it in the strongest terms. I state categorically that there was no attempt by Administration officials to shape or modify the judgments of this Estimate in any way, at any time. Like it or not, it is purely the work of highly professional, independent, dedicated intelligence analysts. And I believe their judgments were, and remain, sound.

A second and presumably related criticism is that we have reversed assessments of recent years without sufficient justification and that, irrespective of the evidence, we have dropped earlier warnings in favor of a more benign scenario. This, too, is unfounded. Yes, some projections of missile developments were extended by a few years. But this was in response to new information that I could detail in another setting. Moreover, the thrust of this judgment in the Estimate is consistent with government assessments published in 1993 and later, including one published by the Ballistic Missile Defense Organization in July, 1995. I also note that the GAO review of the Estimate concluded it is not inconsistent with the two Estimates published in 1993.

And finally, in closing, there is the criticism that the Estimate did not address threats to all of the United States, particularly Hawaii and Alaska. This has always puzzled us, because the second key judgment of the Estimate clearly describes the potential threat to Alaska and Hawaii. With regard to most of the matters in the Estimate, however, the threat to Alaska and Hawaii is not greater than for the rest of the United States and, therefore, is not spelled out separately.

Now, I don't have prepared comments on methodology, but several of you have raised the question of whether the methodology of the Estimate is sound. I will leave discussion of that for the question and answer period, but I would state at this point that I think, at the end of the day, I'm convinced that the methodology in this Estimate was consistent with previous methodology, that it was professionally carried out, and that a close examination of it would reveal it to have been sound.

Let me conclude there, Mr. Chairman, and I appreciate the opportunity to make these points. I have a colleague or two with me who may join in questions, if you permit. And I will stop there and thank you for your attention.

[The prepared statement of Mr. McLaughlin follows:]

PREPARED STATEMENT OF JOHN E. McLAUGHLIN, VICE CHAIRMAN, NATIONAL INTELLIGENCE COUNCIL

EMERGING MISSILE THREATS TO NORTH AMERICA DURING THE NEXT 15 YEARS

Good morning Chairman Specter and other members of the Committee. I appreciate the opportunity to brief the Committee on the Intelligence Community's assessment of long range missile threats to the United States. My remarks are based on the National Intelligence Estimate "Emerging Missile Threats to North America During the Next 15 Years" that was released 1 year ago this week. I will outline the key judgments of that study and comment on the process that generates NIE's in general and this one in particular. I would note that the focus of that estimate was on emerging threats from countries other than Russia and China.

I will also respond to those criticisms most frequently leveled against this particular estimate. In this open forum I am obviously constrained in what I can say about our intelligence sources and methods. I would be glad to meet with you in closed session, where we can provide a more detailed assessment. But I would like to say here that after a year of criticism, we still regard this Estimate as a sound intelligence product—one that clearly reports results of analytic work in response to the questions of those who requested the NIE. Its judgments are still supported unanimously by Intelligence Community agencies and their analysts.

LOOKING AT THE ESTIMATE

Mr. Chairman, let me begin with some brief remarks on the missile forces of Russia and China before I turn to the bulk of the judgments in the Estimate dealing with other countries. Although this Estimate did not deal with Russia and China in any detailed way, we were asked to address the possibility of accidental or unauthorized launch from those countries.

Russia

Despite dramatic political changes over the last 6 years, Russia continues to maintain a strategic force capable of delivering thousands of nuclear warheads against the United States. START I has resulted in a numerically smaller force, but Russia retains its strategic capabilities and continues strategic force modernization programs, albeit within the constraints of a greatly weakened economy.

China

The Chinese force of nuclear tipped ICBM's is small by U.S. and Russian standards and will remain so for the foreseeable future. Many of China's long-range systems are probably aimed at the United States. China plans to update this force with

new missile and, unlike the Russians, to increase the number of missiles deployed. Possible future improvements are to include a mobile ICBM.

Unauthorized Launch

In this NIE, the Intelligence Community reaffirmed earlier assessments that the current threat to North America from unauthorized or accidental launch of Russian or Chinese strategic missiles is remote, so long as Moscow and Beijing maintain current security practices. As the Estimate also noted, however, the Community remains concerned that a severe internal crisis in either country could compromise their nuclear command structures.

Other Nations

Nearly a dozen countries other than Russia and China have ballistic missile development or production programs. In the view of the Intelligence Community, these programs are intended to serve regional goals. Making the change from a short or medium range missile—that could pose a threat to U.S. troops located abroad—to a long range ICBM is a major technological leap.

The key judgments of the estimate I noted above are as follows:

First, we believe North Korea is developing a missile, which we call the Taepo Dong 2, that could have a maximum range capability sufficient to reach Alaska. The missile may also be capable of reaching some U.S. territories in the Pacific and the far western portion of the 2000 km-long Hawaiian Island chain.

Second, the Intelligence Community judges that in the next 15 years no country other than the major declared nuclear powers will develop or otherwise acquire an intercontinental ballistic missile that could threaten the contiguous 48 States or Canada.

- For instance North Korea, with the most active missile program among the countries we examine, would still have to develop; a new propulsion system, it would have to develop; or acquire improved guidance and control systems, and it would have to conduct a flight test program. Even with substantial foreign assistance, meeting these challenges will take time, given the technical and manufacturing infrastructure of North Korea and the political and economic situation in the country.
- We have no evidence that Pyongyang has begun or intends to begin such a program.
- No other potentially hostile country has the capability to develop an intercontinental ballistic missile threat to any part of the United States by 2010.

Third, any country with an indigenously developed space launch vehicle—for example, France, Japan, Israel or India—has the technical capability to develop an ICBM within 5 years if so motivated.

We are likely to detect any indigenous program to develop a long-range ballistic missile many years before deployment.

- A flight test is a surely detectable sign of a ballistic missile programs. Given the technical hurdles that would have to be overcome, the Intelligence Community is confident that the first flight test would provide at least 5 years warning before deployment.
- Moreover, we would almost certainly obtain other earlier indicators of an ICBM program.

Fourth, foreign assistance can affect the pace of a missile program. Since specific technological assistance is difficult to predict, the potential for foreign assistance introduces some uncertainty into our predictions of timelines. Our assessments allow for the acquisition of some foreign technology by the countries of interest.

- The Missile Technology Control Regime (MTCR) has significantly limited international transfers of missiles, components, and related technology, and we project it will continue to do so.
- That said, leakage of components and critical technologies into developing countries has occurred, and will likely continue. A good case in point—subsequent to the publication of the NIE—is the interception of Russian missile guidance components enroute to Iraq.

Fifth, we expect no country that currently has ICBM's will sell them. Each of these countries has agreed to adhere to the MTCR, and transfer of an ICBM would show blatant disregard for the MTCR Regime. Also, exporting countries probably would be concerned that the missiles might be turned against them.

Sixth, we examined worldwide development programs for cruise missiles because of the possibility of their being launched from forward-based ships. By 2005, several countries, including some potentially hostile to the United States, probably will acquire land-attack cruise missiles to support regional goals. We believe that an at-

tack by cruise missiles launched from ships off the coast would be technically feasible, but unlikely.

Let me conclude these comments on the Estimate itself with mention of the timeframe of the study. During the formative stages of this NIE, the timeframe was a topic for discussion. A compromise was reached at 15 years—20 years being too speculative, and five or 10 years not being of sufficient value to the acquisition community.

Uncertainty of course grows as we project more distantly into the future. As we have seen in recent years, world politics can change quite rapidly. But because ICBM programs move slowly, and because the technological base and economic resources of potentially hostile countries are all limited, we have concluded in the NIE that these countries are highly unlikely to deploy ICEMs within 15 years.

- Our problem would have been harder if we had attempted to predict what will be in development or on the drawing board in 15 years, or if we had evidence today of either an ICEM program or strong technological infrastructure.

The fact that we project out 15 years does not mean that we can safely dismiss this subject until well into the next century. This is one of the highest priorities for the Intelligence Community. Our analytical work will continue. We expect to monitor developments, pursue collection, produce additional studies, and bring to the attention of the President and the Members of Congress new intelligence information and analysis on this important subject.

THE NATIONAL ESTIMATES PROCESS

I have discussed what the NIE said. Let me spend a few minutes outlining how the NIE process works. A national intelligence estimate is the Intelligence Community's most authoritative projection of future developments in a particular subject area. It is prepared by the National Intelligence Council with the participation of all relevant agencies of the Intelligence Community, and it contains the assessments and judgments of these agencies. Each NIE is discussed and approved at a meeting of the most senior members of the Intelligence Community.

The process for producing NIE's is directed particularly at ensuring the presentation of all viewpoints. We do not impose consensus; in fact we encourage each of the participating agencies to express their views. Major differences of view are included in the main text. Lesser reservations are expressed in footnotes.

The estimate on which I based my testimony today is no exception. It is the most authoritative current statement on the subject by the Intelligence Community. Moreover, the key judgments I outlined were free of contention.

It is worth pausing, though, to mention some of the dilemmas we face in producing National Intelligence Estimates. How we deal with those dilemmas often affects how readers react to an Estimate, and I suspect that has been the case with this Estimate, in particular.

- One dilemma concerns the length of Estimates—the requirement to strike a balance between those consumers who want Estimates to be brief and to the point, and those who want to see a more detailed presentation. One of the most frequent criticisms of Estimates is that they are too long and detailed for busy, often harried, readers. In response to that criticism, we have sought to keep them to a manageable length, a practice that inevitably limits the amount of supporting evidence and detailed reasoning we can display. While there is considerable evidence and reasoning displayed in the Estimate under discussion, our attempt to be brief probably accounts for some of the controversy about our conclusions.
- Another dilemma flows from the tension between the readers' expressed desire for clarity in the judgments and the need, on the other hand, to lay out the uncertainties, qualifiers, gaps, and alternative outcomes. Erring too much in the latter direction has led to the other most frequent criticism of Estimates: that they too often drift in their judgments toward the "least common denominator", that they avoid clear positions, that they waffle. Needless to say, we have not been accused of that in the present case.
- A third dilemma flows from the fact that Estimates are often treated as though they represent "revealed wisdom" or the final chapter in a story, when in fact they are exactly what their name implies—our best estimate at a finite point in time on difficult questions facing the Intelligence Community and its consumers. Our analysts are constantly debating an Estimate's conclusions against new evidence, and we report changes in judgments when they occur.

CRITICISMS

In closing, let me briefly give you our perspective on three of the specific criticisms registered over the last year. By far the most serious accusation we have heard is that the conclusions of the Estimates were politically influenced, that we, in essence, took our orders from someone in the political arena rather than "calling it as we see it". This is the most serious charge you can level at a professional intelligence officer, and I cannot let the occasion pass without rejecting it in the strongest terms. I can state categorically that there was no attempt by Administration officials to shape or modify the judgments in the Estimate at any time.

A second, and presumably related criticism is that we have reversed assessments of recent years without sufficient justification. This, too, is unfounded. To be sure, some projections of missile developments were changed by a few years, but this was in response to new information. Moreover, the general nature of the judgment about ICBM developments in this Estimate is consistent with government assessments published in 1993 and later, including one published by the Ballistic Missile Defense Organization in July, 1995. I also note that the GAO review of the Estimate concluded it is not inconsistent with two NIE's published in 1993.

And finally, there is the criticism that the Estimate did not address threats to all of the United States, particularly Alaska and Hawaii. Yet the second key judgment of the Estimate clearly describes the threat to Alaska and Hawaii. With regard to most of the matters discussed in the Estimate, however, the threat to Alaska or Hawaii is no greater than to the rest of the United States and therefore is not spelled out separately.

This concludes my testimony Mr. Chairman, and I will be glad to take the Committee's questions.

Chairman SPECTER. Thank you, very much, Mr. McLaughlin. We appreciate your being here, appreciate your testimony. If you would just—you don't have to move. Mr. Gates, if you would step forward. Mr. McLaughlin, you're welcome to stay there.

We'll now proceed to hear a very distinguished American, Robert Michael Gates. Mr. Gates was Director of the Central Intelligence Agency from 1991 to 1993. His career began in 1966. And a matter of some coincidence, Bob Gates and I went to the same great school, College Hill in Wichita, KS. Both of us were born in that distinguished city.

Mr. Gates, we appreciate your arranging a complicated schedule to be here and we welcome you and look forward to your testimony.

STATEMENT OF ROBERT M. GATES, FORMER DIRECTOR OF CENTRAL INTELLIGENCE

Mr. GATES. Thank you, Mr. Chairman. I would note that this is the first time that I have been on the Hill in nearly 4 years. I'll probably just stop there.

[General laughter.]

Mr. GATES. What I would like to do in the next few minutes, Mr. Chairman, before hearing your questions, is give you a summary of the findings of our report. Our panel, too, has recommended to Director Deutch that our findings be declassified to the extent they can. What I'll present today is a declassified summary of the summary, if you will, in the hope of setting the stage for the questioning.

Congress directed the Director of Central Intelligence to review the underlying assumptions and conclusions of National Intelligence Estimate 95-19, Emerging Missile Threats to North America During the Next Fifteen Years. The legislation required that this review be carried out, "by an independent, non-governmental panel of individuals with appropriate expertise and experience." Director Deutch asked me to chair the panel.

He appointed to it as well Richard Armitage, who was the Coordinator for Emergency Humanitarian Assistance to the Former Soviet Union in 1992 and 1993, Presidential Special Negotiator for the Philippines Bases Agreement in 1989, and Assistant Secretary of Defense for International Security Affairs under President Reagan;

Dr. Sidney Drell, professor and Deputy Director of the Stanford Linear Accelerator Center, a member of the President's Foreign Intelligence Advisory Board, a member of this Committee's Technology Review Panel, and the House Armed Services Committee Panel on Nuclear Weapons Safety;

Dr. Arnold Kanter, former Under Secretary of State for Political Affairs, Special Assistant to President Bush for Defense Policy and Arms Control at the National Security Council, and Director of National Security Strategies Program at Rand;

Dr. Jan Noland, senior fellow at the Brookings Institution, Adjunct Professor at Georgetown University, past Senior Designee to the Senate Armed Services Committee, and member of President Clinton's National Security Transition Team;

Mr. Harry Rowen, Professor Emeritus with the Graduate School of Business Administration at Stanford, former head of the Rand Corporation, former Chairman of the National Intelligence Council, former Assistant Secretary of Defense for International Security Affairs ;

And finally, Major General Jasper Welch, United States Air Force, retired. Jasper served as Assistant Deputy Chief of Staff for the Air Force for Research, Development and Acquisition, Assistant Chief of Staff for Studies and Analysis at Headquarters, U.S. Air Force, and Defense Policy Coordinator for the National Security Council.

The conclusions of our report are divided into three sections: politicization, process, and presentation. The findings of the panel in every case are unanimous.

First, politicization. Certain Members of Congress and others allege that NIE 95-19 had been politicized, implying that Intelligence Community analysts' views had been influenced by policy-makers or individual policy preferences seeking to down-play an emerging missile threat.

The panel found no evidence of politicization and is completely satisfied that the analysts' views were based on the evidence before them and their substantive analysis. There was no breach of the integrity of the intelligence process.

Beyond this, the panel believes that unsubstantiated allegations challenging the integrity of Intelligence Community analysts by those who simply disagree with their conclusions, including by Members of Congress, are irresponsible. Intelligence forecasts do not represent revealed truth, and it should be possible to disagree with them without attacking the character and integrity of those who prepared them, or the integrity of the intelligence process itself.

Now with respect to the intelligence process. While the conclusions of a National Intelligence Estimate must not be influenced by policy debates or views, Estimates cannot be prepared in a political vacuum, at least if they are to be relevant. It is the responsibility

and the task of senior Intelligence Community officials to ensure that an Estimate—especially when controversial issues are involved—addresses its subject matter in such a way as to anticipate questions and potential criticisms while fully protecting the integrity of the intelligence process. Senior intelligence officials must make certain that the estimate addresses the issue in a comprehensive manner that provides both perspective and context. They should take special steps to ensure that an estimate with conclusions which may be unwelcome to a policy requester or which alters previous judgments, provides unusually comprehensive analysis, clearly states the reasons for any change in previous judgments, explores alternative scenarios, and is candid about uncertainties and shortcomings in evidence.

It is the panel's view that there was too much of a hands-off approach by senior Intelligence Community management in the preparation of this estimate. The result was not a politicized estimate, but one that was politically naive and not as useful as it could have been.

Second point. What were seemingly minor changes in the title of the Estimate during the period of preparation narrowed the scope of the Estimate and opened the way for embarrassing criticism. The failure to more fully consider Alaska and Hawaii and the separate treatment of the contiguous 48 States, frankly, was foolish from every perspective.

Third, and finally, on process. After months of delay and slow work on the terms of reference in the first draft, the final drafting of this Estimate was done in haste in the Fall of 1995. An Estimate that should have been drafted with unusual care and thorough analysis was rushed to completion. This haste led to many of the presentational and analytical problems that we identified in the estimate.

And now, finally, presentation. Perhaps the most serious deficiency in the Estimate is that Intelligence Community's conclusions in the Estimate with respect to the intercontinental ballistic missile threat to the United States are based on a stronger evidentiary and technical base than is presented in the Estimate. There was much that could have been added to the main text of the Estimate that would have strengthened the analysts' case.

For example. First, a review of successful missile programs capable of ICBM range in other countries—such as India and its space-launch vehicle, or China, or even the United States and the Soviet Union—would have shown the lengthy time required to develop and test a ballistic missile with intercontinental range even to Hawaii. For example, China took more than 20 years to develop its CSS-3 and India took more than 15 years to develop its space-launch vehicle.

Second, the Estimate failed to point out that development of a ballistic missile that could threaten the United States involves two separate challenges—acquisition of the hardware and system integration. Even with clandestinely acquired critical technologies and hardware, integrating that hardware into the missiles would be a major and time-consuming challenge, even with foreign engineering help.

Third, the text of the Estimate should have presented more information on the technical obstacles to development of an intercontinental ballistic missile that could hit the United States. Such obstacles as propulsion, re-entry vehicles, guidance, staging, the technical challenges of moving from a SCUD-based derivative missile to an ICBM, and more. Much of that is in the back-up materials to the estimate, but not in the text of the estimate itself.

Fourth, the Estimate did not highlight at the outset where the Intelligence Community's analysis had changed since the last Estimate and, with specificity, why it changed.

Fifth, the Estimate was not as categorical as it could have been that there would have to be a flight test of any missile actually intended to hit the United States. No country in the world has developed a long range ballistic missile with multiple stages without testing it, if only for demonstration purposes. Further, virtually every flight test program for a new missile has lasted several years, no matter which country has developed it.

Sixth, and finally on this point, the Estimate should have pointed out that missile development programs and weapons of mass destruction programs in other countries represent one of the highest priority issues for U.S. intelligence agencies. In this light, the Estimate should have provided the policymakers what developments analysts will be looking for as evidence of progress in such missile programs. It should have provided an Estimate of minimum likely times from observation of such a new development to the initial operating capability of a deployed threat.

Although the panel was impressed by the technical analysis and broad agreement across the Intelligence Community—and in our briefings we found this to be more so than in the Estimate—there were also some very important weaknesses and deficiencies in the analytical approach in terms of potential threats to the United States.

First, an important deficiency was the failure to address adequately the motives and objectives of governments developing missile programs and how they affect technology needs. The brief discussion in the Estimate of motive focuses on prestige and deterrence. When we were doing Estimates on Soviet strategic forces, given their vast size, the capability was considered all important and most policymakers did not object to the technical focus of these estimates. With the ballistic missile programs we're seeing now, however, motive matters a great deal and can significantly affect technology. What is required technically for a crude terror weapon is very different than what is required for a weapon that is militarily useful. Indeed, it was conceivable to the panel that a country might assemble a missile that appears to have intercontinental range but never even test it, in order to intimidate the United States or other countries from taking action.

With respect to ballistic missiles of strategic range, motive and how that might affect technology is given short shrift in the Estimate because operational capability is judged to be so far into the future.

Second, by contrast, the panel believes the Estimate did not give nearly enough attention to the potential for missiles launched from within several hundred miles of U.S. territory. For example, land

attack cruise missiles and sea launched ballistic missiles. It also discounted the likelihood of such deployments.

And so, we ended up with a conflicting rationale. ICBM's were considered technically infeasible by the analysts, and thus motive was relatively unimportant. On the other hand, shorter range missiles were considered technically feasible by the analysts—even now—but the general judgment was made that it was not likely because motive was lacking.

This inconsistency brought us to another problem. On a challenge as important as the emerging missile threat to the United States, this Estimate fails to ask a critical question. What if our potential adversaries pursue approaches, technical or otherwise, unexpected by the Intelligence Community? The consequences of being wrong on this issue are very high. This problem, in our view, cries out for an Intelligence Community commissioned "Red Team," a group of technically innovative men and women outside the Intelligence Community challenged to explore alternative approaches that could lead to a missile threat, ballistic or cruise, to the United States earlier than 2010, and to keep on doing such red teaming in order to assure there will be adequate time for appropriate U.S. responses to any observation of a new potential threat.

Fourth, the panel also believes that the possibility of a threat from missiles of less than intercontinental range warrants more attention than given in the Estimate. Since developing missiles with sufficient range was identified as one of the most difficult technical obstacles which would have to be overcome before the United States would have to face an ICBM threat, the lack of serious attention to possible alternative threats is all the more noteworthy.

Fifth, the panel believes the Estimate places too much of a burden on the Missile Technology Control Regime as a means of limiting the flow of missile technology to rogue states.

Sixth, with major forces of change still in play in Russia, the panel believes the Estimate's discussion of unauthorized launch from that country is superficial and may be overly sanguine. All agree that a launch unauthorized by Russian political leaders is a remote possibility, but it would appear to be technically possible.

In this connection, the seventh point, the panel notes that economic conditions inside Russia are affecting the military, the military-industrial complex, and weapons design and engineering institutions, and may provide incentives that increase the risk of leakage of hardware and expertise that could help governments aspiring to develop ballistic missiles, cruise missiles, and weapons of mass destruction.

In conclusion, Mr. Chairman, the Estimate, in our view, too easily dismisses missile scenarios alternative to an indigenously developed and launched intercontinental ballistic missile by countries hostile to the United States, alternatives such as the land attack cruise missile. The Estimate should have assured policymakers that this issue will receive continuing high priority and that all possible technical alternatives will be investigated vigorously and time to respond could be provided.

Mr. Chairman, in international affairs, 15 years is a very long time. A decade ago, the notion that the Soviet Union would collapse and disappear within 5 years would have been regarded by most

as ridiculous. The United States cannot rule out the possibility of a strategic change of direction or policy in Russia or China or in other countries over a 15-year span of time that might lead to the sale of a long-range missile system to a third-world country. Nor can the United States rule out that potential adversaries will turn to missile threats other than ballistic missiles of intercontinental range.

All that said, however, the panel believes the Intelligence Community has a strong case that for sound technical reasons, the United States is unlikely to face an indigenously developed and tested intercontinental ballistic missile threat from the Third World before 2010, even taking into account the acquisition of foreign hardware and technical assistance. And that case is even stronger than was presented in the estimate.

Thank you, sir.

Chairman SPECTER. Thank you very much, Mr. Gates.

Before proceeding to the questioning, there's a matter which requires the Committee's attention. A memorandum has been circulated on the need for some Committee subpoenas. The procedure requires we have a quorum present. We have a quorum now, but we're not going to take it up in an open—well, this memo is about to be circulated. I thought it had been, but it will be circulated. And before anybody leaves, I would like the Committee to retire to the back room and to have a very brief discussion on this to see if the Committee is prepared to authorize the subpoenas. Nothing to do with the current hearing, but since we do not have many Senators here at this season, we want to accomplish this before we break up.

We'll proceed now to the round of questioning with five minutes for each Member.

Mr. Gates, we will take you first, since you have commitments which require your departure at about 11:30.

Beginning with the broader policy considerations as to what U.S. policy should be on developing systems or procedures to defend against missile attacks, nuclear missile attacks, I note your comment on who would have suspected the demise of the Soviet Union, which was so unexpected. And I think back in the relatively brief history of our consideration of intercontinental ballistic missiles, Vannevar Bush, one of the greatest scientists of his era, said in 1945, there could be no such things as ICBM's. In 1965, 20 years later, the Secretary of Defense, Robert McNamara, said that the United States was so far ahead, the Soviet Union could never catch up. And we know that they passed us. It's not an apocryphal story, it's a true story about the fellow in the Patent Office at the turn of the 19th century resigning his position because there's nothing new to be developed. True story. You don't get many of those out of Washington.

And on broad policy grounds, what is your view beyond the role, say, of DCI to evaluate a report as to what the Congress, the Administration should be doing by way of missile defense.

Mr. GATES. First of all, let me say, Mr. Chairman, that I'm proud of the fact that given the nature of this Estimate we were asked to evaluate, this question was never discussed by the panel. And I quite literally could not tell you where any of the panel members

stand on the question that you just asked me. My personal opinion on that question is that in a world that is changing as quickly as this one is, where events are so dynamic, where more than a dozen countries have ballistic missiles and several are attempting to develop longer-range ballistic missiles, given unsettled conditions in Russian and so on, I believe that the fact that the United States cannot defend itself against even a single errant missile is absurd. This country is not likely to face the kind of massive missile attack that was contemplated during the days of the cold war. But with all of these developments underway in a variety of countries, the notion of some kind of ballistic missile or other kind of missile attack against the United States by a single leader who has no concept of national self interest, or the interest of his people, to rule that out as a possibility, I think would be a serious mistake.

I don't know what kind of system we ought to develop. I'm not technically expert. And I'm really not up to speed on the different alternatives.

Chairman SPECTER. But on policy grounds, you think that the United States ought to do everything within its power to develop a defense to stop a missile attack.

Mr. GATES. At a minimum, we ought to have some kind of basic capability that would be able to stop a very small level attack.

Chairman SPECTER. Let me turn now to the broad question about organization within the United States Government of our efforts against missile attacks. I showed you the charts. I'll show it to you again, if I can get it here. You told me that you had a similar chart in 1992 when the Committee started to take a look at this issue. Staff prepared this chart on the United States combatting proliferation, key U.S. agencies. And there are some 96 separate boxes on this chart which shows the maze of agencies. And there have been a number of efforts to try to organize this in a systematic way. And in our legislation, which was enacted, we have called for the creation of a commission to try to work on this. What is your best judgment as to what ought to be done to have a more efficient governmental structure to deal with this problem?

Mr. GATES. CIA's head of the Nonproliferation Center in 1992 prepared a similar chart which he referred to as the chart from hell on nonproliferation issues, which probably had a different set of 96 boxes but had about the same number of boxes.

The truth is, that when two agencies are scrambling for turf in this government, very little is going to get accomplished. When you have 96 scrambling for turf, the potential of getting anything very substantial accomplished is even more difficult.

When you have that kind of chaotic situation, there needs to be, in my view, some kind of direction from the National Security Council that not only streamlines the process, but puts in place an interagency forum where decisions can be made, issues brought to the fore, and action taken in an expeditious manner. I don't know whether that's been done. I know that if there are still 96 agencies that have a say in the business, that getting it done will be very difficult.

Chairman SPECTER. Thank you, Mr. Gates.
Senator Kerrey.

Vice Chairman KERREY. Thank you Mr. Chairman.

Mr. Gates, for you, again, subject to you having to leave early, I must say, I'm sort of struck by your testimony. I mean, I think there are remarkably clear conclusions by this panel. And one of the things that you said that stuck in my mind is that the consequences of a mistake are quite large, which is why Senator Kyl has been putting so much attention into this issue, and again, I appreciate his having done so.

But I am struck as well by your suggestion that we need some kind of a red team, because it seems to imply that the current process—and to reiterate, I appreciate as well your saying that we need to take care that we don't attack in a personal way the analysts that are producing the report. They may make a mistake, they may make a judgment with which we disagree, and we can openly express that disagreement. But is there a problem with the process of producing these kinds of estimates that needs to be addressed? I mean, we have a PFIAB that does not appear to be terribly effective in assisting DCI's in producing good intelligence, and we've got a recent discussion of a problem that appears to be a constant, probably one that both you and Director Woolsey faced, which is the recruiting and the retaining of high-quality personnel. It's much easier for us to build a satellite than to figure out 20 years from now if we have the kinds of people that we need in place to do the job. And I'm thinking specifically about the Khobar Towers incident and connections to the Nicholson case. I read some of your comments on that as well. I'm curious as to whether or not you have strong opinions that are connected to this red team. You've directed this red team's attention toward the ballistic threat. But is there a broader need for a red team that can do some analysis that is not only remote but can become public more easily than the analysts' reports can? I mean, the context of the analyst is in a top secret environment. And very often—and you pointed out that one of the criticisms you had was that they got rushed. They delayed and then they got rushed and who knows what caused that? I don't know what caused that. I know in my own life I sometimes do that as well. I'll get behind and then I'll rush a report, particularly in the situation where, as you say, the consequences of a mistake are quite large. Your conclusion is that you need a red team for that particular area. But have you given some thought to the need for something like that that would deal with questions other than just this narrow question of a ballistic missile threat?

Mr. GATES. Let me answer your question in two ways, Senator Kerrey.

First of all, I think the view of the panel, and certainly my view, based on experience, is that the record of the Intelligence Community in assessing technical weapons developments around the world is really a very good one, but it's not flawless. We were all terribly surprised in the mid-1980's when we discovered the presence in Saudi Arabia of an already nearly deployed Chinese medium-range ballistic missile system. Both the Chinese and the Saudis had totally deceived us. The Intelligence Community underestimated Saddam Hussein's progress on a nuclear weapon because the technical experts sort of didn't think Saddam would rely on an antiquated technology like calutrons in terms of getting fissile material. There have been a number of other instances over the last 30

years where there has been an underestimation of what somebody else could do. I've always believed, as a nontechnical intelligence officer, that at least some of these instances were due to a certain kind of western technological arrogance that "this is the best way to do it, and if you don't do it that way, you don't do it at all." We've been wrong taking that approach in the past.

So, I think on the critical questions—such as this emerging missile threat—it's important to have another set of ideas, another set of minds out there working the problem.

The broader issue that you raised is one that I have felt very strongly about for many years, and one that I pursued as Deputy Director for Intelligence, when I was Chairman of the National Intelligence Council and then as DDCI and DCI. And that is the continuing value for the Intelligence Community—which is totally inside the Government—to test their ideas, to test their hypotheses, to test their analysis against fertile minds on the outside, to sponsor conferences, to have people come in and critique Estimates, to go to people on the outside that they know disagree with their analysis just to get the benefit of their thinking and to be able to justify in their own minds the continuing approach that they are taking, if not adapting it, to the new ideas.

So, I think this should be a routine part of the intelligence process, in a lot of different areas. But I think it's particularly important in an area such as this.

Now, I will make one final comment in this regard. The President's Foreign Intelligence Advisory Board commissioned its own red team in 1976, the B team, to look at the Soviet strategic threat. And because that was imposed on the Intelligence Community, it was deeply resented and it created the impression inside the Intelligence Community that the politicization of the process was taking place from outside. That a stacked set of experts were brought to bear on a problem that were going to come up with conclusions that satisfied the then-current President's Foreign Intelligence Advisory Board.

I think that effort to impose a red team on the Intelligence Community set back the cause of them going out and seeking alternative views, by a decade, because they felt like it had been imposed on them. So, this is something that I feel ought to be an internalized part of the Intelligence Community process, that involves outsiders, but is organized and commissioned from within the Intelligence Community on a professional level.

Vice Chairman KERREY. Thank you.

Chairman SPECTER. Thank you very much, Senator Kerrey.

Senator Kyl.

Senator KYL. Mr. Chairman, thank you very much, again, for holding this hearing and I appreciate the questions both you and Senator Kerrey have asked.

Director Gates, having served as Director, and having advised us about some process issues here just a moment ago, let me ask you a question that goes to your conclusion about the report having been rushed to conclusion—hastily rushed to conclusion. As you know, the declassification of the NIE's key judgment came just as the Senate debate on the DOD Authorization Bill was unfolding. And the release of the NIE some 2 or 3 weeks—I don't know the

exact number of days—before the President's veto, among other reasons for his views on the National Missile Defense issue.

My question to you is this. Had you been presented with the draft NIE as DCI at the time and under the circumstances that existed here, what would you have done as good policy?

Mr. GATES. Well, I hate to put myself in the shoes of my successor so let me just refer to what my practice was as Chairman of the National Intelligence Council and then as DDCI and DCI.

I was always sensitive, not so much to the worry that an issue or an intelligence Estimate would be a matter of dispute between the Executive and the Legislative branches of government, but rather that an ill-timed Estimate would be seen within the Executive branch as an effort by CIA or the DCI to tilt the argument and the debate inside the Executive branch. So unless an Estimate was specifically requested in the context of a decision—in other words, a policymaker or the President saying I want an Estimate on this subject before we make a decision on this so that we have the benefit of its information—my inclination always was to try to time the emergence of an Estimate so that it did not float out into the policy community in the middle of a heated debate on a subject. Sometimes there would just be a coincidence of timing, that the debate would arise in a short period of time even though an Estimate might have been on the books for a number of months.

When, on those rare occasions we didn't do that, we would always get a lot of flack from the Secretary of State or the Secretary of Defense or whoever's view an estimate didn't support, about the fact that we were trying to skew the debate inside the Administration. So I tried to be sensitive to that and to avoid it where we could.

Senator KYL. Thank you.

Did you examine, or did the panel which you chaired, examine the reasons for the hasty conclusion of this report?

Mr. GATES. No, sir, we did not. I think that Mr. McLaughlin may be able to answer that question later.

Senator KYL. I found your very concise and well-organized presentation to be very, very helpful. And also, I guess I would conclude that it is a fairly significant indictment of the NIE itself. Among other things because, in making a relatively important change in the Estimate from just 2 years before, it failed to adequately explain the reasons for the change, the basis for it, and other issues that bore upon the change such as the alternatives.

In order for us to utilize documents such as an NIE, is it your view that it should contain not only a comprehensive analysis of the reasons for any change from previous Estimates, but also should consider other possibilities than perhaps were posed specifically in the question to the agency, so that the full range of threats are discussed?

And second, do you think that it needs to be updated on a timely basis, perhaps, for example, each year?

Mr. GATES. Senator Kyl, we did the Soviet Strategic Estimates and the Warsaw Pact Estimates every year for many, many years, and one of the innovations that we made in the early 1980's was to include at the very front of the Strategic Estimate a one or two page summary of what was new in the Estimate, what were the

new developments in Soviet strategic programs since the last Estimate had been produced. It seems to me that kind of highlighting of what's changed and why it's changed, really helps to focus policymakers and legislators on how things are moving in a given situation or with a given challenge in a way that helps advantage the decisionmaking process. We don't do that kind of a Soviet Strategic Estimate any more now that the cold war is over, but it seems to me that it is very much worth the Intelligence Community considering doing this emerging missile threat Estimate on an annual or every 2 year basis. Then, readers could identify year on year, what the changes are and whether the danger is increasing, whether the danger has been pushed further into the future, what new information has come to pass.

This is a terribly important issue and, I think, as the panel suggested, one of the things that the Estimate should have said in the key judgments is what everyone in the Intelligence Community takes for granted—that they are going to be looking at this issue all the time. This is one of the most important things that they look at. This is not a snapshot that is going to be taken now and the issue then not looked at for another 5 or 10 years. So it really is more making explicit what is assumed in terms of the frequency with which this issue would be examined.

Senator KYL. Thank you, very much.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you, Senator Kyl.

Senator Shelby.

Senator SHELBY. Thank you.

Mr. Gates, as former director of the CIA—you and your background experience, we're all familiar with—you've been involved in a lot of analytical approaches to our threats over the years, have you not?

Mr. GATES. Yes, sir.

Senator SHELBY. Now, when someone prepares or groups prepare the Estimate that is the subject of this hearing, at least part of it that we know about, that is put together by a lot of people, and so forth, is that right?

Mr. GATES. Correct.

Senator SHELBY. If this Nation—and I believe these were your words, but you're not the only one that said something like this—if this nation at the moment, can't defend itself against a single incoming missile—and I think that's basically understood by a lot of people, but not by the American people—isn't a missile defense system for this country and our people, a high priority?

Mr. GATES. Well, as I said in response to the Chairman's question, I don't know what kind of missile defense we need.

Senator SHELBY. I know that.

Mr. GATES. There are lots of different alternatives out there, and the Administration's got some ideas.

Senator SHELBY. Sure.

Mr. GATES. I know people up here have some. But I think, at a minimum, we need the capability to defend ourselves against a very limited attack. The notion that for the indefinite future, not one single missile will ever be launched at the United States, I think is a bold judgment.

Senator SHELBY. And it could be folly, couldn't it? Considering all the potential threats like an unauthorized launch that you mentioned earlier?

Mr. GATES. I think that—

Senator SHELBY. The development of technology, or the movement of technology that maybe we don't know about, or won't know until it's too late.

Mr. GATES. I think it would be very unwise.

Senator SHELBY. Let's focus on some things that you brought up. The deficiencies of this Estimate, knowing that an Estimate of 15 years is what in the financial markets, they'd say that's going long, that's way out there. Senator Kyl brought up maybe revising and relooking at it. I know you're looking at—the Intelligence Community is looking at threats every day, every night, you know, and revising, because things change. Fifteen years is a pretty long Estimate. And if the methodology is flawed in any way, it's open to challenge, and it should be, should it not, if the methodology was flawed, if some things were overlooked, such as Hawaii, Alaska, in this report?

Mr. GATES. I think that one of the approaches that I have long advocated in intelligence Estimates is what I call the examination of alternative scenarios, the "what if we're wrong" notion.

Senator SHELBY. You have to do this, don't you, if you're analytical?

Mr. GATES. Particularly if you're looking that far into the future. Quite frankly, every time that the Intelligence Community has made an error in a major Estimate over the past 30 or 40 years, it has been because it made a single outcome forecast. It said, "We're talking about something happening 5 or 10 years in the future, and this is the way it's going to happen." Not, "We think this is the most likely way it's going to happen, and here are some other possibilities."

Senator SHELBY. Did this Estimate in any way consider on a serious note the possibility of sea-launched missiles?

Mr. GATES. Yes, it did. And our panel looked at that in considerable detail. We think that the Estimate does not devote adequate attention to a sea-based launch capability, although I would tell you, in all candor, that most of the panel believe that the technical challenges involved in that would make a cruise missile alternative more attractive to an adversary.

Senator SHELBY. But there are nations in the world that could possibly move on an accelerated basis the development and acquiring of missile technology and the ability to launch missiles by sea or long-range missiles by launching.

Mr. GATES. I think it was the judgment of the panel based on the briefings we heard that that could be done, yes.

Senator SHELBY. Do you believe that any Estimate which is a prediction should be challenged for the basis methodology that it was predicated on?

Mr. GATES. Well, as I suggested in my initial remarks, I don't think that any Estimate represents revealed truth.

Senator SHELBY. That's right.

Mr. GATES. And I think that Mr. McLaughlin made the point that an Estimate in many respects had performed an important

service if it highlights an issue and even if it provokes controversy, simply because it causes the re-examination of the basic issues.

Senator SHELBY. And like today raises the level of the debate on the threat to the United States.

Mr. GATES. Correct.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman SPECTER. Thank you, Senator Shelby.

Senator BAUCUS.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Gates, you mentioned something earlier about your concern that the community—perhaps these aren't your words, but I'm trying to summarize the point which I thought you made—is a bit maybe ingrown or just doesn't sufficiently check the reality of some of its Estimates or conclusions or maybe it's assumptions about the world. I'd just like to explore that point a little bit further, if I might. Namely, do you think that still is a significant problem within the community, that is, the failure to check against the outside world some of its assumptions? And if you still think that is a problem, what can be done about it? What advice do you have to significantly address that problem?

Mr. GATES. Senator Baucus, this is a very old issue for me. I think that the tendency of government intelligence analysts to talk to one another and to develop a certain mindset in dealing with certain kinds of problems is endemic to the analytical culture. And it is a continuing thing. It was around at the beginning of CIA and the Intelligence Community and it will be around until the end. My approach was, in effect, to impose from above a way of doing business that tried to open that closed culture, a culture that depends on U.S. Government satellite information, U.S. Government embassy information, U.S. Government clandestinely acquired information, U.S. Government attache information and so on. To open the doors to the involvement of outsiders in looking at our work and in critiquing it.

And there are a lot of different ways it can be done. When I was DDI we sponsored—the Directorate of Intelligence sponsored something like 70 or 75 conferences a year involving outside experts on everything from the course of the Afghan War to a host of other issues. This was one way. Another way was to have outside experts come in and critique our estimates, to come in and read the drafts or to critique the internal assessment of CIA on various issues.

I tried to build into the promotion process a requirement that analysts serve some time in policy agencies, that analysts attend conferences sponsored by outsiders—by universities and think tanks and other organizations. So, there are a number of mechanisms that you can use that, collectively, I think, help bring fresh air into that system and better inform Intelligence Community debate and discussion and analysis of these issues.

Senator BAUCUS. I understand that. To answer my question specifically, do you think enough is being done today? I mean look at the mistake we made in not anticipating the demise of the former Soviet Union, for example. I think that's a major intelligence failure. And other people can mention other examples.

In your judgment has the community done enough to reasonably make changes to correct or prevent those kinds of major mistakes?

Mr. GATES. Senator, I'm not going to dodge your question. But I have to answer that I don't know, because I have stayed away from CIA and the Intelligence Community. And I don't know all the things that Jim Woolsey and John Deutch may have done, and the people that they are working with like Mr. McLaughlin. I just don't know the status of any of these undertakings at this point.

Senator BAUCUS. Thank you.

Thank you, Chairman.

Chairman SPECTER. Thank you very much, Senator Baucus.

Senator HUTCHISON.

Yes. Thank you, Mr. Chairman.

I am particularly concerned about the short-term ballistic missile capability to come into our shores. I think we have some vulnerabilities. Certainly Alaska, as you said, should be considered, I think, in a different category from the lower 48 States. But I also think we have borders on our north and our south in our country where people can walk across. And I would like to ask if you think there is a realistic threat that we should at least address of having the capability for a ballistic missile to be brought—maybe piecemeal hardware and then assimilation—into countries where we would not be able to detect it, and then even be able to be brought into our shores.

I mean, as an example, something could be brought into Cuba. Could it be piecemeal into Mexico and then be—I can tell you that I know anything can be brought across the Mexican border, and I know it could not be detected there. But do you think it could be also brought in realistically from another country into another bordering country without detection, or do we have the ability to detect the assimilation process, or the hardware being brought in, Mr. Gates?

Mr. GATES. Senator Hutchison, one of the members of our panel raised on several occasions his concern at the possibility that one of the smaller Cuban islands might be used as a place for bringing in some kind of a missile that overcomes the range obstacle that I talked about by being so close to U.S. shores. I think the majority of the panel and most of the Intelligence Community—I would have to defer to Mr. McLaughlin and the experts—but I think most of the panel regarded that as perhaps in some extreme sense, technically feasible, but most regarded it as extremely unlikely.

Senator HUTCHISON. You don't put that in the same category, then, as your assessment that some of the potential threats were glossed over, even if they were remote? Do you make that assessment, that it is too remote?

Mr. GATES. Our panel looked at this, and I think the feeling was that that was—even among the more remote alternatives we looked at—even less likely than some of them.

I think the general view of most of the members of the panel was that if someone is going to go to all that trouble, rather than erecting a ballistic missile a few dozens or a few tens of miles from—on an island outside the United States, say in Cuba, that the technical challenge and even the operational challenge of simply trying to move some kind of a weapon of mass destruction across our borders would be a more feasible challenge than—I mean, why go to all the trouble to erect a ballistic missile when you only have to

carry the weapon another 90 miles or 80 miles across one of our borders to conduct a terrorist attack?

Senator HUTCHISON. But that's part of my question. Do you think we have the capability to assess, if something were being brought in piecemeal, to a bordering country, and then, I know——

Mr. GATES. Smuggled into this country?

Senator HUTCHISON. Yes. I know it can be smuggled into our country. The question is, can it be brought in without detection, or do we have the capability to detect it being brought in to a bordering country? Would it be realistic for that to——

Mr. GATES. Well, again, I think most people on the panel thought that that was quite unlikely, although probably technically feasible. I have a feeling, just based on experience that goes back to the beginning of 1993, when I was Director, that this is something that both the Intelligence Community and the FBI take very seriously, particularly in terms of the potential for a terrorist threat and so on, and have taken a number of measures to try and deal with that, both in terms of collection and enforcement and detection.

So in terms of where we are, in terms of capabilities today, I think I would have to defer to the people who are in office now to answer your question.

Senator HUTCHISON. Well, let me go back to your red team approach, where you have outside views made of intelligence assessments. I guess I would ask Mr. McLaughlin, do you think that it would be a sound thing to require an outside examination when we're talking about this kind of assessment to assure that some of the concerns that have been raised by Mr. Gates, for instance, are re-looked at by the originating assessment team?

Mr. McLAUGHLIN. You mean, Senator Hutchison, with regard to ballistic missiles?

Senator HUTCHISON. Well, yes, ballistic missiles especially, because many of us think this is one of our major security threats that we do not believe is being addressed forcefully enough from our defense capabilities. So let's take that as an example. But it could also apply to other major assessments where an internal CIA team makes an assessment, but have an outside team look at it and make suggestions, even before it goes outside the CIA.

Mr. McLAUGHLIN. Well, let me say, I would completely associate myself and endorse enthusiastically what former Director Gates said about the need to have the expertise of the outside community brought into the Intelligence Community. Former Director Gates has been my boss on several occasions, and I can assure you that this was one of his themes.

We do this. We have just held, for example, eight conferences with outside experts on every region of the world, and a series of global issues. This is a particular responsibility, under Director Deutch, of the National Intelligence Council, as distinct from the CIA itself.

Senator HUTCHISON. How would you address some of the concerns on the issue before us that Mr. Gates has raised that I think sound quite valid, but also easily addressed? How would you say we can go from here?

Mr. McLAUGHLIN. The various critiques that we've heard?

Senator HUTCHISON. Yes.

Mr. McLAUGHLIN. Well, let me say in response to that, we all have the greatest respect for Mr. Gates and his panel. And we view it as a fair-minded critique. I would not view it, as Senator Kyl termed it, as an indictment of this Estimate. I would view it as a fair-minded critique. And I'm perfectly willing to—

Senator HUTCHISON. Well, let's start from here. What could we do to address some of these concerns? Because I think short-term ballistic missile capability is one of those that perhaps needs more scrutiny, and what else we might look at from our security standpoint.

How would you go from here, regardless of rhetoric, and address some of the concerns?

Mr. McLAUGHLIN. Well, I think the idea of periodically looking at this question has great merit. I don't think it would be advisable, based on what we have seen in the preparation of this Estimate about the deployment times of various countries with regard to ballistic missiles, to do an assessment like this annually, but perhaps every other year would be a good thing to do. To return to this subject periodically and to report, as Mr. Gates suggested, what is different in this assessment, as contrasted with the previous one. That's a suggestion that has merit, I believe.

Senator HUTCHISON. I see that my time is up. And, I would just say that I would like to see something, I think, a little more aggressive, because I think that some of the concerns are valid. And when you look at this type of security threat that can be addressed, we have the capability to address it. Why not address even the most remote possibility so that we are better safe than sorry. That would be my last comment.

Thank you Mr. Chairman.

Chairman SPECTER. Mr. Gates, we really appreciate your coming in. Senator Kerrey and I were just chatting about your willingness to come back and talk to him and me privately, or other Members of the Committee, if they choose to sit in to talk more about the proliferation issue and how we combat it for the future. Maybe anticipating what the President may do in appointment of the Commission next year, if you'd be willing to do that.

Mr. GATES. Sure.

Chairman SPECTER. As I suggested to you before we started the hearing, there are just a couple of other questions that the Committee has taken up on another subject that I think it would be useful to get your opinion on.

We had a report by the Inspector General following Ames', a rather unusual report, which suggested that Directors of Central Intelligence, and specifically Director Webster, Director Woolsey and you, should be held liable, referring to the Ames matter, even for items that were not personally known, which is an unusual concept, to hold somebody liable for something they don't know. And I think it was predicated on the conclusion that the problem of Ames and now on Nicholson, so extraordinary and sufficiently likely, that a Director ought to put into effect practices to smoke out that kind of a problem in advance. I would be and the Committee would be interested in your views on that Inspector General's conclusion.

Mr. GATES. Let me answer in two ways.

First of all, I think that the notion that—particularly at the beginning of this process of investigating a possible mole which began in the 1980's when Bill Webster was Director—there wasn't sufficient attention given to the problem is just factually inaccurate. The fact is that Bill Webster created the Counterintelligence Center. He gave it additional money. He gave it additional positions. We were briefed. The problem that I have is that when Bill Webster and I—I was his deputy at the time—were briefed, I think in 1987, that there were four or five operations that had been compromised in Moscow. Well, the fact is, we discovered in the post-Ames investigations, much to the surprise of both Bill Webster and myself, that, in fact, there was a paper circulating at lower levels in the Directorate of Operations that said that some 40 operations had been compromised. So we weren't told what had happened.

Chairman SPECTER. You weren't told about the paper, that 40—

Mr. GATES. Correct.

Chairman SPECTER.—had been compromised?

Mr. GATES. Correct.

At the other end—

Chairman SPECTER. How do you account for that?

Mr. GATES. Well, let me tell you the other horror story, and then I'll come back to both of them.

At the end of 1992, again, as I found out from the post-Ames investigation, it was clear that by the end of 1992, people knew—people inside the Directorate of Operations were pretty confident—that Aldrich Ames was the mole. They didn't have a court case yet, but they were pretty confident they'd found their man.

Chairman SPECTER. At what point?

Mr. GATES. This was the end—by the end of 1992.

Chairman SPECTER. Was something done to terminate his access at that point?

Mr. GATES. No one ever came to me and told me that. I was the Director. I'd been the Deputy Director when we began the mole hunt in 1987, and no one came to me at the end of 1992 and said we think we found the mole.

Chairman SPECTER. Even though they really thought they had?

Mr. GATES. Even though they thought they had.

Chairman SPECTER. How do you account for that?

Mr. GATES. And what I'm also told—I don't know if this is true—but I was also told that they didn't even tell the Deputy Director for Operations at the time.

Chairman SPECTER. How do you account for that?

Mr. GATES. I think this gets at the problem that both Jim Woolsey and John Deutch have been trying to tackle, and that is a chain-of-command problem within the Directorate of Operations. There is a reluctance in that organization, and has been for many years, to move information upward, up the chain of command, particularly when there's a problem. I don't know whether lower level—

Chairman SPECTER. Well, that is absolutely egregious, horrible. How can that possibly exist with those people in the organization, and how can it be tolerated by the Director of the organization as whole?

Mr. GATES. Well, I think there are some structural things that can be done, and I think that my two successors have tackled those problems. But I will tell you that I think also it boils down to personalities. And the fact is, when John McMahon was Deputy Director for Operations in the late 1970's, there were no such incidents, because the fact is, everybody in the Directorate of Operations knew that John McMahon would absolutely destroy anybody who failed to tell him something was going on, or some problem had occurred. So strength of management—

Chairman SPECTER. That'd be mild for what wasn't told.

Mr. GATES. So the strength of management, I think, is an important aspect of it.

Now, the other—to respond to your broader comment about the Inspector General's report, I think all of us who have senior positions in the Government accept the fact that we have responsibility for what takes place on our watch, whether or not we know about it. What was new to me in the report, and I think to my colleagues, but what was new in my nearly 30-years in government, was the idea of being held personally accountable for something that you didn't know about. And this was a standard I had never heard and I had never seen applied.

For example, in the case of the equally, if not worse, egregious treason of John Walker, I never heard anybody talk about holding the Secretary of the Navy or the CNO or the Chairman of the Joint Chiefs of Staff or the Secretary of Defense personally accountable for Walker. I never heard anybody say that George Schultz ought to be held personally accountable for Bloch's espionage in the State Department.

When an agency head or senior officer doesn't know about something, and especially when something happens that is contrary to the environment that a Director or senior officer has tried to establish, when you've set down rules, when you've set down behavior, when you've set down an attitude on how people are supposed to behave—how to deal with Oversight Committees, how to deal with issues, how they're supposed to follow the rules inside CIA or another institution—it's not clear to me how you can hold an agency head personally accountable when someone at lower levels violates those rules and standards of behavior unbeknownst to the Director, and contrary to every action he has taken. Where do you draw the line? Is a Director, or the Secretary of State personally accountable if somebody down at a lower level embezzles, or cheats on time and attendance? Where do you draw the line?

So I fully accept the notion of responsibility. But I think that you are going to have a very difficult time getting anybody to serve at a senior level in the American Government if they are to be held accountable, personally, for wrongdoing or mistakes or problems that occur at lower levels that are not only contrary to the environment that that leader has tried to set, but about which he knew nothing.

Chairman SPECTER. Well, thank you for that testimony, Mr. Gates.

This Committee heard from one of the people in the CIA who had been there for some 40 years, from 1950 to 1992, who passed on tainted material, knowing that it came from KGB sources in the

Soviet Union, and passed it on to the highest echelon. In fact, one bit of information on January 13, 1993, went both to the President and President-elect. Hit two birds with one bad stone. And when we took his testimony, it was just incomprehensible when he said that he passed this information on knowing that it was tainted, but thinking it was reliable. But not telling the recipient, President Bush, President-elect Clinton, that it was tainted, coming from Soviet sources. When you say these reports exist in the Directorate, not passed up the chain of command, it is just an incredible kind of problem.

I know that Director Deutch has worked on it, and I know that Director Webster did, Director Woolsey did, and you did. But it suggests something in the culture that may not be eradicated yet. You have a Nicholson case coming right on the heels of an Ames case—with all the publicity on Ames, you have a Nicholson. Any suggestions as to what more ought to be done on that problem?

Mr. GATES. Well, I think that the speed with which—

Chairman SPECTER. I should say allegations as to Nicholson; they're not established yet.

Mr. GATES. I think that the speed with which, in counterintelligence terms, Nicholson was identified and then a case presented—built against him—really represents a mark of significant progress in terms of improving counterintelligence at CIA and, I might add, cooperation between CIA and the FBI. I frankly think that you have to begin with the reality that when a CIA officer is accused of treason, that's a disaster in and of itself. But there is a good news side to it. John Walker worked for the Soviets for 17 years, Ames for 10 years. In this case apparently the fellow was identified within a year and then moved and surveillance begun. So, I think that's a significant improvement and I commend the people that have made those changes.

Chairman SPECTER. Thank you very much, Mr. Gates.

Senator Kerrey.

Anybody else have a question or comment?

OK, thank you. We'll let you catch your plane.

Mr. GATES. Thank you very much.

Chairman SPECTER. And we'll look forward to talking to you again, as we have said.

Mr. GATES. Thank you, Mr. Chairman.

[Mr. Gates was excused.]

Chairman SPECTER. I'd like now to call Mr. Woolsey.

R. James Woolsey, former Director of Central Intelligence, has made an outstanding contribution to the country in many ways, as his resumé suggests. Captain in the Army, National Security Council staff. Perhaps one misstep, he worked for the Senate, was general counsel to the Committee on Armed Services, Under Secretary of the Navy, delegate at large to missile talks, and then Director of Central Intelligence.

We welcome you here, Director Woolsey, and the floor is yours.

Mr. WOOLSEY. Thank you, Mr. Chairman. If it's all right, I'll submit my written statement for the record and simply talk from about two pages of it, pages 3 to 5.

Chairman SPECTER. Without objection, your statement will be in the record, and we appreciate your condensation.

[The prepared statement of Mr. Woolsey follows:]

PREPARED STATEMENT OF R. JAMES WOOLSEY, FORMER DIRECTOR OF CENTRAL INTELLIGENCE

Mr. Chairman, Members of the Committee, it is an honor to be asked to testify before you today on the topic of ballistic missile defense.

Let me begin by addressing the subject of the threat.

Last spring I was in Taipei when the Chinese government announced its intention to begin ballistic missile launches 3 days later into two 20-mile-square impact areas, one a mere 20 miles off Taiwan's northeast coast and the other 30 miles off the southwest coast. These launches interfered with access to Taiwan's principal port, Kaohsiung, to Taipei's international airport, and to rich fishing grounds. After originally stating that the firings did not constitute a blockade, were only political theater—albeit “a little too close to the edge of the stage”—and announcing that “there will be consequences should these tests go wrong,” I was glad to see that the Administration later labelled the firings reckless and provocative.

But the main point here should never have been what the consequences would be in the event that China turned out not to be able to hit even a square in the ocean 20 miles on a side. The main point is what the consequences are when such tests go *right*.

The key issue is that off Taiwan this past March, as well as in the streets of Tel Aviv and Riyadh in early 1991, we have been given an important insight into the future of international relations. It is not an attractive vision. Ballistic missiles can, and in the future they increasingly will, be used by hostile states for blackmail, terror, and to drive wedges between us and our friends and allies. It is my judgment that the Administration is not currently giving this vital problem the proper weight it deserves.

I will turn in a moment to the presentation given the end of February to the Congress by Richard Cooper, Chairman of the National Intelligence Council, covering the new National Intelligence Estimate (NIE), “Emerging Missile Threats to North America During the Next Fifteen Years.” (I would stress that throughout my public testimony today in my references to this NIE, this unclassified presentation of Dr. Cooper's and other unclassified sources are my only sources of information about this estimate.) But here at the outset let me say a few words in general about the threat that ballistic missiles are coming to pose to American interests in the world.

First, although ballistic missiles are normally discussed in the same breath with weapons of mass destruction, it is important to realize that it is not always necessary to deploy nuclear, chemical, or bacteriological warheads in order to use ballistic missiles—even with current accuracies—as weapons of terror and blackmail. The Chinese, for example, have admitted that they were using these recent missile launches near Taiwan to attempt to influence Taiwan's Presidential elections and to affect Taiwan's conduct of its relations with other countries. Saddam's SCUD attacks on Israel, using conventional high-explosive warheads, were clearly an attempt to provoke an Israeli response and to split the coalition against Iraq, which included a number of Arab states which would have had great difficulty fighting alongside Israel against another Arab nation.

Second, we are in the midst of an era of revolutionary improvements in missile guidance. These improvements will soon make ballistic missiles much more effective for blackmail purposes—again, even without the need for warheads containing weapons of mass destruction. The press has reported, for example, that the U.S. Government is adopting a policy to permit other-than-U.S.-Government-users of the Global Positioning System (GPS) satellite network to have much greater confidence that the satellites' signals will not be interrupted or degraded by the United States. The press also reports that the Administration believes that regional agreements will ensure that the signals cannot be used by hostile forces. But the efficacy of such arrangements remains to be seen. The current type of GPS access is adequate for many commercial purposes. But if the policy of “selective availability” of GPS is about to be abandoned, there will be a definite risk not only that guidance signals, provided by the United States, will be usable by other nations for their ballistic missile systems (that is true today), but that truly excellent accuracy will thereby be achievable for many countries' missiles.

With such guidance improvements, it is quite reasonable to believe that within a few years Saddam or the Chinese rulers will be able to threaten something far more troubling than firings of relatively inaccurate ballistic missiles. They may quite plausibly be able to threaten to destroy, say, the Knesset, or threaten to create, in effect, an intentional Chernobyl incident at a Taiwanese nuclear power plant.

Third, even relatively inaccurate ballistic missiles may be given awesome power if equipped with weapons of mass destruction. Although attention is usually focused on the possibility of various countries' obtaining nuclear warheads, nuclear capability is at least somewhat constrained by the difficulty of acquiring fissionable material. Loose controls over fissionable material, particularly in the former Soviet Union, are nevertheless quite troubling because unauthorized sales and smuggling of fissionable material to rogue states are becoming increasingly likely. But it is even easier to acquire the wherewithal to produce chemical or, much worse, bacteriological warheads than it is to acquire fissionable material. Chemical and bacteriological weapons will be available far sooner and to a much larger number of countries than will nuclear warheads. Bacteriological warheads in particular will serve about as well as nuclear ones for purposes of turning a country's ballistic missiles into extremely effective tools of terror and blackmail, even if they are never launched. This Committee is well familiar with the large number of countries working on ballistic missiles, and with the international traffic in technology and equipment—much of it out of Russia, China, and North Korea—that assists other nations in developing and improving ballistic missiles and weapons of mass destruction.

Fourth, it is not necessary to be able to conduct an effective counterforce strike with ballistic missiles against ICBM silos, bomber bases, and other nuclear facilities in our continental heartland in order to use ballistic missiles for terror and blackmail directly against the United States. This concern with a counterforce strike against nuclear facilities in the interior of the lower 48 States was, of course, a principal issue for us during the long strategic stand-off against the Soviet Union during the cold war. Much of our strategic analysis during those years centered on the ability of, particularly, our ICBM's and strategic bombers to withstand such a strike and retaliate effectively. For example, the Scowcroft Commission Report in 1983, of which I was the principal drafter, was heavily devoted to this question.

But in current circumstances, nuclear blackmail threats against the United States may be effectively posed by, e.g., North Korean intermediate-range missiles targeted on Alaska or Hawaii, or by relatively inaccurate Chinese ICBM's targeted on Los Angeles.

Fifth, we should not automatically assume a benign post-cold-war world in which Russia is a friendly democracy, with a few inconsequential anomalies, that is steadily developing a free enterprise economy and China is a free enterprise economy, with a few inconsequential anomalies, that is steadily becoming a friendly democracy. It is at least as likely, in my judgment, that the Russia that will face us will come to be autocratic and imperialistic—we may hope, but we should not be confident, that it will retain some measure of civil liberties and some free sectors in its economy. As for the new China, in addition to our serious differences with its leaders over civil liberties, proliferation, and trade, we may well have seen its international face in the Taiwan Straits this past spring. In short, we cannot discount the possibility of serious international crises developing in the future with either country—including crises in which Russian or Chinese officials will repeat new versions of the barely veiled threat expressed to former Assistant Secretary Freeman this past spring: American leaders "care more about Los Angeles than they do Taiwan."

It is with these considerations in mind that I have some thoughts about NIE 95-19 covering "Emerging Missile Threats to North America During the Next Fifteen Years." The answers provided to the questions that were asked—based on the public record—during the process of writing this NIE may well be the best consensus that the Intelligence Community could produce, and may be consistent in many ways with earlier work. One major reason, it seems to me, why this estimate seems to differ in important ways from the major assessments during my tenure as DCI, lies much more in the questions that were asked. To focus an NIE on the threat to the contiguous 48 States, in my judgment, is to focus on a sub-set, and not a particularly useful sub-set, of the strategic problems that are posed for us by other countries' possession of ballistic missiles in the post-cold-war era.

If broad conclusions are drawn from an NIE of such limited scope, as they apparently were—for example, that "intelligence indicates" that ballistic missiles do not pose a serious threat to U.S. interests—the conclusions could be quite wrong, even if the drafters of the NIE answered as best they could the questions they were asked. If decisionmakers conclude, and I believe this would be a serious error, that this NIE—at least as it has publicly been described—covers the most important questions about ballistic missile threats to American interests, what would they say about, e.g., nuclear blackmail threats against Alaska and Hawaii? These sorts of threats will in great likelihood be present from North Korean intermediate range missiles in well under 15 years. Such questions as these seem to be an afterthought, at least in the public description of the NIE. But the last time I looked, Alaska and

Hawaii had not been admitted to the Union on terms that exclude them in some way from the common defense called for in the Constitution's preamble. As objects of blackmail they are of no less concern to us than Oklahoma and Kansas.

I believe that the "contiguous 48" frame of reference for this NIE, if the document is used as a basis for drawing general policy conclusions, can lead to a badly distorted and minimized perception of the serious threats we face from ballistic missiles now and in the very near future—threats to our friends, our allies, our overseas bases and military forces, our overseas territories, and some of the 50 States. Using an estimate that focuses on the ICBM threat to the contiguous 48 States to make *general* judgments about our need for ballistic missile defenses is, if you will grant me some literary license, akin to saying that because we believe that for the next number of years local criminals will not be able to blow up police headquarters in the District of Columbia, there is no serious threat to the safety and security of police in the District.

There are other aspects of the scope of this NIE that are troubling. The unclassified version of the GAO's recent report on the NIE makes several important points. First, and most significantly, the GAO stressed that the NIE did not "identify explicitly its key assumptions" and did not "account for alternative economic and political futures." The GAO also pointed out that the NIE did not "quantify the certainty level of nearly all of its key judgments" (although quantification can be over-used, I believe, in intelligence estimates, some use of rough "gambler's odds", such as stating that there is "a one-in-three chance" can assist understanding). The GAO added that the evidence presented in the NIE "is considerably less than that presented in the earlier NIE's, in both quantitative and qualitative terms."

I would add several other points about this NIE, as it is set out in the unclassified February statement to the Congress. Again, the NIE's answers may be reasonable in view of the questions it seeks to answer. If you are assessing *indigenous* capabilities within *currently hostile* countries to develop *ICBM's of standard design* that can hit the *lower 48 States*, the NIE's answer that we have 15 years of comfort may well be a plausible answer. But each of these qualifications is an important caveat and severely restricts one's ability to generalize legitimately, or to make national policy, based on such a limited document.

The concentration on *indigenous* ICBM development seems to me to limit sharply any general conclusions that might legitimately be drawn. Dr. Cooper's testimony indicates that "the potential for foreign assistance introduces some uncertainty into our predictions of timelines." That is putting it mildly. Indigenous development of ICBM's was of interest during the cold war because the Soviets sought to maintain a monopoly on their most precious military capabilities and export of fully developed ICBM's was not in the cards. But in the cold war's aftermath, Russia, China, and North Korea are in the export business for missile technology and components, and for some technologies related to weapons of mass destruction as well. Moreover, with respect to some such exports the degree of control exercised by Moscow, and perhaps by Beijing, may not be at all complete. Consequently, transfers deserve more attention than they did during the cold war.

A further problem is created by transfers of ballistic missile technology or components to a country which is friendly to the United States if that country should later turn hostile through a revolution or radical change in government. Even with the best intelligence in the world it is impossible to forecast 15 years in advance such events as the Iranian revolution of the late 1970's, which turned a friendly state into a hostile one.

Moreover, indigenous capabilities may be enhanced by unconventional means. A country without traditional ICBM technology that has been able to produce warheads carrying weapons of mass destruction—such as biological—may be able to produce a functioning ICBM by strapping several smaller boosters together, a technique sometimes used for space launches. Even if accuracy and performance were not up to our standards, such a missile, equipped with such a warhead, might serve quite adequately for purposes of blackmail and terror.

Because of these uncertainties we should study carefully the possibility of technically feasible threats, not only threats for which we actually see nations conducting tests and assembling components. One reasonable course of action, for example, would be for the Government to assemble a small technical "red team" of bright young American scientists and engineers and let them see what could be assembled from internationally available technology and components. I would bet that we would be shocked at what they could show us about available capabilities in ballistic missiles. We should remember that by assessing only what we could actually see, we badly underestimated Iraq's efforts in the years before the Gulf War, especially with regard to weapons of mass destruction.

It may be that the President was relying on something other than this recent National Intelligence Estimate when he said, in vetoing the 1996 Defense Authorization Bill, that U.S. intelligence "does not foresee" the existence of a ballistic missile threat to the United States "in the coming decade". But to the degree that the President was extrapolating a general conclusion from the very limited part of the overall ballistic missile threat that appears to be assessed by this NIE, I believe that this was a serious error.

Finally, let me turn briefly to the current state of arms control negotiations as they might affect our BMD programs and to those programs themselves as set forth in the defense budget for 1997 as originally proposed by the Administration—also based, of course, on public reports.

A little over a year ago, my law partner and friend, Steve Hadley, Assistant Secretary of Defense for International Security Policy in the Bush Administration, set out in testimony before the Congress the history of the negotiations in 1992 that followed President Yeltsin's January speeches of that year. President Yeltsin called for "a global system for protection of the world community [that could be] based on a reorientation of the U.S. SDI to make use of high technologies developed in Russia's defense complex."

Earlier this year, according to press reports, the new Russian Foreign Minister, Mr. Primakov, threatened to withhold Russian ratification of the START II Treaty unless the United States agreed to restrictions that could substantially limit even our *theater* ballistic missile defenses, in the context of distinguishing such theater systems from treaty-limited systems.

Among the many things that have changed since 1992 are that President Yeltsin is now surrounded by advisers, such as Mr. Primakov, who are generally less inclined to promote cooperation with the United States than their predecessors and who have very close ties to the rulers of rogue states that are at the heart of our proliferation concerns.

But whatever the reasons, the shift during these 4 years from Russian willingness to propose overall cooperation with the United States on ballistic missile defenses to Mr. Primakov's effort to undermine the effectiveness of our theater ballistic missile defense programs is quite striking.

During these same 4 years, the Russians have expressed substantial disagreement with one particular aspect of the treaty that I negotiated in 1990, covering conventional armed forces in Europe (CFE)—the special limitations that apply to the Russians' share of their total conventional armed forces that they can deploy to their northern and southern flanks. The United States has worked with its NATO allies during the last year or so to find ways, by making certain adjustments in the map defining the CFE flank zones, to accommodate some of the Russian concerns. I have no quarrel with these efforts, because they have been coordinated with our NATO allies, especially Turkey and Norway, who are principally interested in these particular limitations, assuming that the Administration seeks appropriate congressional approval for any map changes.

The point is that we are being quite reasonable with respect to CFE Treaty adjustments, but Russia is headed the opposite direction with respect to adjustments to the ABM Treaty. The Russian government is now trying to make the ABM Treaty *more* restrictive on the United States—for example, by trying to get us to agree to limitations on the speed of our theater ballistic missile interceptors. It is my understanding that the Administration has resisted these Russian efforts, but it is unfortunate that—again according to press reports—we have apparently agreed to language that establishes interceptor speeds (below 3 kilometers per second) that would *not* violate the treaty. I hope and trust that we will continue to insist that faster interceptors (such as those that would be used for the Navy's Upper Tier theater defense system) are also treaty-compliant, but I am concerned that we have agreed to discuss interceptor speed at all. Limitations on the range and speed of *targets* for theater systems should be sufficient to establish that our theater systems are not being "tested in an ABM mode" in violation of the treaty.

I also have difficulty in understanding the reasons for adding other nations, such as other former Soviet Republics, to the ABM Treaty. Multilateralizing the Treaty will make it harder to amend and adjust it in order to accomplish the purposes President Yeltsin set out in 1992. The original purpose of the ABM Treaty was to prevent a Soviet ABM deployment that would endanger our ability to retaliate following a Soviet counterforce strike against the United States. We fear no such a strike from, e.g., Byelorussia. I see no reason why we are moving to make it *harder* to adjust the Treaty to the post-cold-war era rather than easier.

Finally, I was quite disappointed that the Administration's original defense budget for 1997 delayed and cut the funding for the theater and national BMD programs that Congress has called for. I am sympathetic with the dilemma faced by the senior

leaders of the Defense Department as they were forced to set priorities among BMD programs, given the fact that the funds available for defense procurement overall were less than two-thirds of the sustaining level of approximately \$60 billion that was needed. The problem is not so much, in my view, the choices that the Defense Department leadership made in the face of these fiscal constraints. It is the constraints themselves.

Any overall assessment of the risks and needs facing the United States should, in my judgment, indicate the primary importance of a vigorous program for theater defenses (Navy Upper Tier and THAAD) and also the importance of a sound program to move toward some type of national defense (coupled with a diplomatic effort to increase, not decrease, the flexibility in the ABM Treaty). I would personally put the top priority at the present time on the theater defense programs, in addition to the shorter-range systems that are already being pursued. The reasons are set forth very well in last year's report by the Heritage Foundation, "Defending America." In general, much of the work on theater systems, particularly in connection with space-based sensors, is also relevant to national defenses.

I would defer for the time being the question whether we should consider withdrawing from the ABM Treaty. I believe that, with an appropriately firm negotiating approach to the Russians and with adequate funding for our own BMD programs, we should be able to accommodate our needs within the Treaty for a time if it is appropriately interpreted and, possibly, modified.

In 1992 we explored seriously with the Russians how we might move toward limited national defenses cooperatively with them so that both countries could be defended from a wide range of ballistic missile threats. With any reasonable Russian government, this approach should eventually bear fruit. As only one example, if we could reach agreement on returning to something very similar to the ABM Treaty's original 1972 form (permitting two sites, not one, in each country), a thin national defense against most threats other than a large attack by Russia would be made substantially easier. As part of a combined approach we might be willing to supply the Russians, as well as other nations, with data from our space-based sensors such as Brilliant Eyes. This would substantially enhance the performance of their theater defense systems. Such a combined approach of treaty modification and cooperative programs would give us a few more years to assess the direction in which we want to move over the long run.

One final point. The Russians should be made aware that we expect them to be reasonable and that particularly their international conduct and military programs will be weighed by us as we make our long-term decisions about our approach toward the Treaty and cooperative programs. We have no reason to be hesitant to make clear to the Russian government what American needs and desires are. We are dealing from a position of strength. It was our cold-war adversaries' political and economic system that has been cast onto the ash-heap of history, not ours.

Thank you, Mr. Chairman.

STATEMENT OF R. JAMES WOOLSEY, FORMER DIRECTOR OF CENTRAL INTELLIGENCE

Mr. WOOLSEY. Thank you, because those pages address directly the NIE.

I might say, Mr. Chairman, when I was first asked to testify on this subject late last winter by the House National Security Committee following the Chairman of the National Intelligence Council's presentation before that Committee, I reviewed the rather detailed public summation of the NIE 95-19 that Dr. Cooper had submitted for the record of the House Committee. In that and several subsequent appearances before the Congress, I relied on that for my assessment because I didn't want to be relying on classified material to give unclassified testimony.

Before I testified before this Committee, I reviewed carefully NIE 95-19 in its classified version as well as the two previous NIE's from during my tenure in 1993. I have no reason to change what I said before the House Committee or the Senate Foreign Relations Committee earlier this year. And so this testimony is substantially the same as those.

The answers that were provided to the questions that were asked in the NIE during the process of writing the NIE may be the best consensus that the Intelligence Community analysts could produce. And in a technical, logical sense in many ways may be consistent with earlier work. But one reason it seems to me why this Estimate seems to differ in important ways from the major assessments that were done in 1993 lies in part on the questions that were asked.

The NIE, yes, does mention Alaska and Hawaii, but the focus of the principal judgment is the threat to the contiguous 48 States. And to my mind—and I would agree fully with former director Gates on this—that is to focus on a subset, and not a useful subset, of the strategic problems that are caused for the United States by other countries' possession of ballistic missiles.

If one goes further and draws, as a policymaker, broad conclusions from an NIE of that limited scope, as apparently was the case when the President indicated that intelligence indicates that ballistic missiles do not pose a serious threat to the United States' interests for 15 years, then I think those conclusions could be quite wrong, even if the drafters of the NIE at the analysts' level answered as best they could the questions that NIE was addressing.

If decisionmakers did conclude that this NIE covers the most important questions about ballistic missile threats to American interests, then it seems to me that the way this conclusion was stated, excluding in the principal conclusion, at least, Alaska and Hawaii, could lead to a great deal of confusion and as far as the Government as a whole is concerned, self-deception.

I think that it is important to realize also that there are other aspects of this NIE that are troubling. The unclassified version of the GAO's recent report makes several important points—that it did not identify explicitly its key assumptions and did not account for alternative economic and political futures and did not quantify the certainty level of nearly all its key judgments. Now, sometimes I believe quantification can be overdone in intelligence assessments, but the use of what's normally called gambler's odds—1 in 3 chance that something might happen, 1 in 10 chance—adds a degree of specificity to judgment that is always useful.

The most important part of the GAO's critique, I believe, is that it did not account for alternative economic and political futures. Because to my mind, the most important function of intelligence is not to make point predictions of a specific future, but rather to help decisionmakers reason and think through what is driving the problem. This includes, sometimes, relatively unlikely possibilities that need to be, nonetheless, in spite of their unlikelyness, considered very carefully because of their serious character.

The NIE's answers, as I said, may be reasonable in view of the questions that it sought to answer. And if one is assessing indigenous capabilities within currently hostile countries to develop ICBM's of standard design that can hit the lower 48 States, then the answer that we have 15 years of comfort may well be a plausible answer. But each of those qualifications is an important caveat that I believe substantially restricts one's ability to generalize legitimately or to make national policy based on the document.

The concentration on indigenous development seems to me to limit substantially any general conclusions that might be drawn. Indigenous development of ICBM's was certainly of interest during the cold war because the Soviets sought to maintain a monopoly on their most precious military capabilities, and the export of fully developed ICBM's really was not in the cards from the Soviet Union.

But in the aftermath of the cold war, Russia, China, and North Korea are in the export business for missile technology and components, and for some technologies that are related to weapons of mass destruction as well. Furthermore, there are close working relationships between some of the rogue regimes of the mid-east, such as Iran and Iraq, and some of these technology-exporting countries, such as Iranian ties to North Korea.

Further, now, the degree of control exercised by Moscow, or perhaps by Beijing, over some of these technological components and systems, may not be at all complete. Therefore, transfers, to my mind, deserve far more attention than they did during the cold war.

A further problem is created by transfers of technology or components to a country which is currently friendly to the United States if that country should later turn hostile through a revolution or a radical change in government. Even with the best intelligence in the world, it's impossible to forecast 15 years in advance such events as the Iranian revolution of the late 1970's, which turned a friendly state into a hostile one.

Moreover, and I think this is a particularly important point, one that relates in some ways to a number of points that Bob Gates made, indigenous capabilities may be enhanced by unconventional means. A country without traditional ICBM technology that's been able to produce warheads carrying weapons of mass destruction—let's say biological, which are far easier than nuclear—may be able to produce a functioning ICBM, for example, by various ways of strapping several smaller boosters together. This has been done for space launch purposes by countries such as Brazil.

It has been done in a more limited way for medium and shorter-range missiles, for example, by Iraq. The Intelligence Community was surprised in the late 1980's when the Iraqis, who at the time did not even have SCUD B's, as I recall, started targeting Iranian cities with very extended range SCUD's. They did so after a single flight test, to the best of my recollection. What they had done was to increase the size of the fuel tanks and limit the size of the payload for extended range SCUD's.

Now, even if accuracy and performance are nowhere near American standards, or even Russian standards, for that matter, such developments by various countries might serve quite adequately for purposes of blackmail and terror.

Bob Gates mentioned the possibility of an intercontinental ballistic missile that was cobbled together and could not actually function, but still could be used for blackmail and terror purposes.

I believe that there is an intermediate case between that and a fully developed American style or even Russian style ICBM, namely, a relatively long range missile equipped perhaps with a biological warhead—again, much easier than nuclear—which had been flight tested a few times and could reasonably be counted on to get,

let's say, somewhere within the confines of a large American city, say in Alaska or Hawaii.

One does not have to either have a system that is a complete fake, or one that is up to American or Soviet or Russian standards. The Iraqis and others have shown us that at least with respect to shorter range systems, some degree of accuracy and some degree of capability can have quite awesome blackmail purposes indeed. And, as Bob pointed out, the Iraqis in particular have shown that, with respect to weapons and mass destruction, they are willing and able to use techniques which are old fashioned, inefficient—the calutrons were technology the United States rejected in either 1942 or 1943 for purposes of producing fissionable material—but they were very close to having enough for weapons.

I recommended last March, before the House National Security Committee and I still think it is a good idea, that we should focus not just on threats that we actually see in intelligence collection, but rather on technically feasible threats which nations would be able to develop with some degree of ingenuity, but using generally available technology and systems from the international market.

I suggested then, and I would suggest again, there are all sorts of different types of red teams. The one I suggested last March to the House Committee was a technical team of bright young American scientists and engineers to see what they could actually assemble from internationally available technology and components.

I believe that you will find that when you have not merely an intellectual undertaking, but a hardware utilizing undertaking of that sort, there are a number of things which would be extremely troubling.

It may be that the President was relying on something other than the NIE when he said in vetoing the 1996 defense authorization bill, that U.S. intelligence does not foresee the existence of a ballistic missile threat to the United States in the coming decade. But to the degree that the President was extrapolating such a general conclusion from the limited part of the overall ballistic missile and general missile threat that appears to be assessed by NIE 95-19, I believe that in policy terms this was a serious error.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you very much, Director Woolsey.

We're going to proceed now to hear from both Mr. Davis and Mr. Osias and then question at the end. I'd like to turn now to Mr. Richard A. Davis, if he would come forward. Mr. Davis is the Director of National Security Analysis for the General Accounting Office. He has had a very distinguished career with GAO beginning in 1964 in the Philadelphia office. He's a member of the Association of Government Accountants and has served as the President of the North Virginia Chapter. He received the GAO meritorious service award in 1973 and 1981. And in 1994, received the GAO's Distinguished Service award for exceptional leadership on national security issues. The Comptroller General also conferred on him the rank of Meritorious Executive in 1993.

Welcome, Mr. Davis. Your full statement will be made a part of the record and to the extent you can summarize within 5 minutes, we would appreciate it. But if you go longer, we understand.

Mr. DAVIS. Thank you, Mr. Chairman, and other Members of the Committee. I think I can summarize in 5 minutes or less.

Chairman SPECTER. Thank you.

STATEMENT OF RICHARD A. DAVIS, DIRECTOR OF NATIONAL SECURITY ANALYSIS, GENERAL ACCOUNTING OFFICE

Mr. DAVIS. I'm pleased to be here today to discuss our evaluation of National Intelligence Estimate 95-19. We were asked to compare the content and conclusions of this Estimate with the content and conclusions of two previous Estimates and to evaluate whether the Estimates appear to be objective and supported by fact. We issued two reports on August 30 of this year, a classified and unclassified version. All of our findings appear in the unclassified version. The classified information concerned detailed examples drawn from NIE's to support our findings and observations.

We had three major findings.

First, the main judgment of NIE 95-19, that is, "no country other than the major declared nuclear powers will develop or otherwise acquire a ballistic missile in the next 15 years that could threaten the contiguous 48 States or Canada," was worded with 100 percent clear certainty. We believe this level of certainty was overstated based on the caveats and the intelligence gaps noted in the Estimate.

Second, the Estimate had additional analytical shortcomings.

It did not, first, quantify the certainty level of nearly all the key judgments.

Second, it did not identify explicitly its critical assumptions.

And third, it did not develop less likely, but not impossible, scenarios referred to as "alternative futures." However, the Estimate did acknowledge dissenting views from several agencies and also explicitly noted certain information the Intelligence Community does not know that bears upon the foreign missile threat.

Our third finding was that the 1995 Estimate worded its judgments on foreign missile threats very differently than the two 1993 Estimates on related subjects that we reviewed, even though the judgments in all three estimates were not inconsistent with each other.

In general, the two 1993 Estimates pointed out unfavorable and unlikely outcomes associated with foreign missile threats to the United States more often than did the 1995 Estimate.

Finally, the evidence in the 1995 Estimate is considerably less than that presented in the two 1993 Estimates in both quantitative and qualitative terms.

Our evaluation did not include whether policymakers or intelligence officials interfered with the 1995 process. Therefore, we have no views on this matter. Also, we did not attempt to independently evaluate foreign missile threats to the United States.

Our evaluation was significantly impaired by a lack of cooperation by several Executive branch agencies. The Departments of Defense and State would not allow us to review their records on NIE 9519 and instead referred us to the Director of Central Intelligence. The DCI declined to cooperate with our review. His office maintained that our review would be contrary to oversight arrangements for intelligence that the Congress has established. Therefore,

we were unable to obtain the DCI's official standards, if any exist, for the essential elements of an objective NIE review supporting documentation on the Estimate, or discuss the Estimate with cognizant officials from the National Intelligence Council and other agencies.

Mr. Chairman, that concludes my prepared remarks. I'd be happy to answer any questions.

Chairman SPECTER. Thank you very much, Mr. Davis.

As I stated earlier, we need to have an executive session of the Committee, which I had said would be at 11:30. It's a little past 11:30 now. We have to do this with a quorum on the issue of some subpoenas. So, we're going to recess very temporarily, just for a few minutes and we'll resume.

Thank you very much.

[The Committee stood in recess from 11:38 o'clock a.m. until 11:44 o'clock a.m.]

Chairman SPECTER. We'll resume and call our final witness, Mr. David J. Osias. Mr. Osias, would you step forward please.

Vice Chairman KERREY. Mr. Chairman, if you wouldn't mind, just a 60 second statement. I was not here when Mr. Davis offered his testimony and I want to make it clear that my position is that the CIA and the DCI should continue to look to the oversight committees as their overseers. And that the resistance that may come when the GAO approaches them, I think is a legitimate resistance. I just want to make it clear that I think that that is the relationship that should be maintained. I mean no disrespect to Mr. Davis or the GAO, but I want to make it clear in very quiet but very strong terms that I think the current arrangement is the preferable arrangement.

Mr. McLAUGHLIN. Mr. Chairman, I might mention that Dr. Osias is the National Intelligence Officer for Strategic Programs and Non-Proliferation, and he oversaw the day-to-day preparation of this Estimate.

Chairman SPECTER. OK, thank you very much, Senator Kerrey. Thank you, Mr. McLaughlin.

We turn now to you, Mr. Osias, National Intelligence Officer for Strategic Programs and Nuclear Proliferation of the National Intelligence Council.

STATEMENT OF DAVID J. OSIAS, NATIONAL INTELLIGENCE OFFICER FOR STRATEGIC PROGRAMS AND NUCLEAR PROLIFERATION, NATIONAL INTELLIGENCE COUNCIL

Mr. OSIAS. I'd like to take issue with some of the points that were made. I recognize that the author of the report probably has a different view of it than the reader of the report. In general, I would defer to the reader. But, at the same time, there are some points that were made here that I think need to be at least addressed.

I would point out that Mr. Gates' key point, in our view, was that the evidence for the positions in the National Intelligence Estimate is even stronger than presented in the Estimate. That is, he took a great deal of issue in his report with the presentation, but not so much with the conclusion, although there are conclusions that he doesn't agree with.

I would take issue with the fundamental assertion here that there were changes between 1993 and 1995 and that therefore there must have been a change in the methodology or politicization. In my view, there were very few changes, and they were only small slips in timing. They were fully discussed with your staff in closed session. I think it was clear that there were reasons for those changes and that there hasn't been a great change between 1993 and 1995. In fact, on one point, we actually say we just reaffirmed the 1993 position.

I take issue that the scope was narrowed during discussions of the terms of reference. In fact, the only thing that happened during that period was a healthy discussion of what would be included and what wouldn't be included. The scope never narrowed to exclude Hawaii and Alaska. The main points, really, were that it was narrowed in terms of reducing the timeframe from 20 years to 15 years, and there was some discussion about where we would cutoff the missiles that we were looking at. We agreed not to look at missiles with ranges less than 300 Kilometers, unless they were launched in Cuba, in which case we would look at them. That was an effort to concentrate on long range missiles and not look at airplanes coming in with small missiles under their wings.

The timing. The timing was rushed at the end because—more than any other single cause—of a letter from a Member of Congress to the Secretary of Defense asking where the NIE was. And after that we pulled out all the stops and did what we could to get it out. But, at the time, we were very aware that haste makes waste, and I think that we paid a great deal of attention to that. In fact, I am very proud of the quality of this Estimate, even though it was done as quickly as we could at the end.

However, there was an oversight in terms of what was actually included in the key judgments. We were accused of deliberately leaving something out. In fact, that was an oversight and we didn't discover it until about 2 months after publication.

The cruise missiles. I think this Estimate gives full treatment to the cruise missile threat. The basic Estimate is 23 pages long, and there are 2½ pages on cruise missiles. There is a table that lists all the known developmental cruise missiles in the world. And we go beyond what's in that table to assess additional threats that could materialize.

I think it's a full treatment. We clearly say it's technologically possible. In the end we stepped back from saying you are likely to see cruise missile attacks. That's the purpose of the statement about it being not likely.

There are some assumptions that limited the scope. They are spelled out in a scope section in the beginning. I take issue with GAO's statement that we didn't spell out the assumptions. There are some rather brief assessments in the key judgments and elsewhere in the report that I agree are briefly stated and not backed up as well as some of the other assessments, but they are not assumptions, they are not disguised in any way.

One assumption that came up today that I'd like to mention is that we did not include any assessments of terrorist threats. Although you could argue that a single ballistic missile fired from anywhere in the world is a terrorist action, we did include that

threat. But when you're talking in terms of smuggling weapons across the border and short range missiles, we excluded them as being terrorist actions.

Second, we did exclude major political and economic changes, and we've come under fire for that. I have to accept that. If it should have been in there, we missed it. But we basically had to draw the line somewhere in order to get the report done.

There was also a comment made that we should have focused more on the technical obstacles to ballistic missile production by Third World countries. I think that was the major focus of the paper. We went into great detail. We included some of the information in an annex. But I think even in the short main portion of the report, we did a very detailed job, I thought, of looking at just what was required. I will say, though, that in the briefings we gave to the panel chaired by Mr. Gates, we went into even greater detail.

I'd also like to say a few words about uncertainties in intelligence assessments in general and how we handle them. And the reason is that that's a common thread between several topics we've talked about today, for example, alternative scenarios, the certainty of our first key judgment, the effect of technology transfer on projections, the lack of well defined uncertainty levels in the NIE, and even the slips in our projections.

I would add that early on, when we were preparing to do the Estimate, General O'Neill, who was then head of the Ballistic Missile Defense Organization, BMDO, stated that he wanted to see us provide, and I quote, "earliest dates for deployment that could reasonably be expected". That is, we are not focusing in this NIE, on the most likely threat, as we would like to do, but rather on the earliest time that is possible.

Let me try to clarify what I mean by the uncertainties in intelligence, in general. When we in the Intelligence Community report uncertainties, we try to do it at the 90-percent confidence limit around a best Estimate. The latter, the best Estimate, is our best guess of the correct answer, regardless of how we get it. We use the term confidence limits in the same way that statisticians use them, although we seldom have the numerical basis for it. So we have upper and lower bounds on the confidence interval. And they define a range that, as best we can determine, has about a 90-percent probability of containing the right answer. There is supposed to be a 5-percent probability that our uncertainty interval, or our confidence limits, are too high, and a 5-percent chance they are too low.

For NIE 95-19, we estimated the timeframe for future developments and deployment by various countries, of missiles capable of reaching North America, and that includes Alaska, Hawaii, and Canada. We did not include Mexico, by the way. For each country, when we consider only the limitations imposed by technological shortfalls, and the opposite effect of foreign assistance or technology transfer, the best estimate for deployment was well beyond 2010. In fact, when we estimated the lower bound on confidence interval for deployment dates, that too was beyond 2010.

The lower bound date is the date for which we estimate the likelihood of an ICBM being deployed is only 5 percent. As we consider earlier dates, like the year 2010 itself, the likelihood gets even

smaller. However, Estimates of activities beyond 2010 were not discussed specifically in the NIE because that was outside of the scope, and we, rightly or wrongly, decided we would not report assessments that went beyond that timeframe.

Remember, so far we've only addressed technological limitations, including the infrastructure that goes with that. When we also include the motivations and disincentives for investing in an ICBM program, the resources available for each country, and the lack of evidence of any commitment to an ICBM development, the likelihood drops even further. The point is that we have gone through this analysis; it wasn't included in the NIE, and it's somewhat subjective. But we did go through and attempt to define what the uncertainty was in our assessments. That uncertainty was very small for 2010 and earlier; that's why there was so little discussion of some projections in the NIE.

Let me mention the changes in our projections, to the extent that there were slips. Most of the NIE reports the earliest time for ICBM deployment, as General O'Neill asked, and not our best estimate. The best estimate is way out in the future, and in some cases, the best estimate is that a country won't attempt to develop an ICBM. But we concentrated on the earliest deployment time, as did the earlier NIE's. That is, if we're looking at the earliest reasonable timeframe, the lower bound, there's 20 to 1 bettors' odds that we're too early. So as we get better data and as time goes on, our estimate of the earliest date should slip. There's a 95-percent chance that it's going to slip. We shouldn't be embarrassed about it. It's a validation of our analysis when it does slip.

And that leads me to alternative scenarios. If everything we're looking at is basically unlikely, then all the things we discuss, in my view, are something like alternative scenarios. The basic question was, when are countries going to develop a missile threat to the United States. The primary threat to look at is long-range ICBM's. We looked at a lot of other things. We looked at space vehicles and cruise missiles on ships and a variety of other things. To me, those represent some kind of alternative scenario.

And finally, Mr. Gates asks what happens if we're wrong. We project nothing for 15 years. Let me suggest—my own personal view—if our Estimate isn't wrong so much that it's down to about 10 years, then we're sort of in the ball park. So the question is, is an alternative scenario in which a country could obtain an ICBM within 10 years a realistic scenario? I contend that it is not. A 10-year development would require that the Russians come in, build the plant, operate the plant, and build the missiles. But that, too, is unrealistic because it would take them too long to build the plant.

So, let me close on that and take your questions.

Chairman SPECTER. Well, Mr. Osias, picking up on your last statement, do you think that it is a wise conclusion not to try to develop a missile defense system by the year 2010?

Mr. OSIAS. Well—

Chairman SPECTER. Before the year 2010?

Mr. OSIAS. As an intelligence officer, I'd rather not answer that if I don't have to.

Chairman SPECTER. No, you don't have to. If you make an intelligence assessment that there's not going to be——

Mr. OSIAS. Well——

Chairman SPECTER. Excuse me, let me finish the question.

Make an assessment there's not going to be a missile threat until the year 2010, then a policymaker says we don't need a missile defense system until the year 2010.

Mr. OSIAS. Well, I think as Mr. McLaughlin said, we need to keep reevaluating what's happening. This kind of threat is not going to materialize instantly. We need to keep watching it, and we will keep watching it.

Chairman SPECTER. Well, the President issues a statement on December 28, 1995, where he takes issue with the legislation requiring deployment by the year 2003 of a costly missile defense system able to defend all 50 States from a long-range missile threat that our Intelligence Community does not foresee in the coming decade.

Now, it may be that you have made your analysis and you have said what you have to say, but it does not follow from an intelligence analysis that there's no threat until the year 2010, that we ought not to provide a defense until that time. Maybe the Congress or the President has to say OK, that's an interesting conclusion, but the consequence of being wrong is too serious: take it seriously. And I know you're in the Intelligence Community, Mr. Osias, but that's why I asked you the question. If you'd like to reconsider answering, I'd be pleased to hear your answer. If you'd like not to reconsider——

Mr. McLAUGHLIN. Could I offer a thought on that, Mr. Chairman?

Chairman SPECTER. No, I want to hear from Mr. Osias first and then I'd be glad to hear from you.

Mr. OSIAS. I would note that the Administration didn't take it at face value and has gone ahead with the plans to be prepared to defend—to build a defense earlier than that. I don't have any quarrel with that. I think we've done our job to assess this realistically and objectively. And Mr. McLaughlin pointed out and Mr. Gates pointed out we can be wrong in these things; this is possible.

Chairman SPECTER. Well, Mr. Osias, I don't know that the Administration did come to that conclusion. I don't know that others have come to that conclusion. But it certainly is a matter for policymakers beyond. Mr. McLaughlin, you want to comment.

Mr. McLAUGHLIN. Oh, I don't have a lot to say about this, Mr. Chairman, other than to note that Dr. Osias and I are unlikely to express our personal views on missile defense in this forum because of our professional intelligence affiliation.

But a point about Estimates—Mr. Gates at one point termed the Estimate politically naive, and I understood what he meant, but that isn't the term I would use. I would call it politically neutral—politically neutral—politically neutral. And Estimates, in this case there's nothing in this Estimate, in my view, that says the United States should not have a missile defense. That is for the policymaker to determine. And our job in an Estimate like this is to answer the question we were asked, and in this question——

Chairman SPECTER. So, you think the policymaker should put into the calculus what the consequences are of being wrong?

Mr. McLAUGHLIN. The policymaker should put into the calculus, as one of many factors, the assessment that comes out of the Intelligence Community. If the policymaker concludes there is a consequence of being wrong, that should be part of the calculus. But I guess my basic point is, that as we see it, our job is to answer the question as clearly as we can, and then to allow those who are charged with doing so, with drawing the consequences for policy and to answer any subsequent questions.

Chairman SPECTER. Let me move ahead here to Mr. Woolsey before my red light goes on. Mr. Woolsey, you talk about Russia and China exporting, Iran and Iraq, North Korea having a relationship with Iran, and the transfers being very, very ominous. Let me ask you the same question I asked Mr. Gates, or we ask it in the context of Mr. Gates. Do you agree with former Director Gates that we ought to be doing a lot more to develop a missile defense system than we are?

Mr. WOOLSEY. Yes, I do, Mr. Chairman.

Chairman SPECTER. Do you care to amplify that?

Mr. WOOLSEY. Pardon me?

Chairman SPECTER. Do you care to amplify that?

Mr. WOOLSEY. Well, I have said and—

Chairman SPECTER. Most Yale law grads don't speak so tersely. [General laughter.]

Mr. WOOLSEY. I have said, Mr. Chairman, that I think for a time I would not recommend withdrawing from the ABM Treaty. I believe that if we proposed to the Russians that they get back on the track they were on in 1992 but stopped thereafter, that is, cooperating with us on ballistic missile defense if we worked hard on intermediate range systems, and particularly, with space-based sensors, and if we proposed to them an amendment to the ABM Treaty to go back to something very close to the original version of the Treaty which permitted two sites, rather than one, then I believe we could do a decent job of defending the whole country, including Alaska and Hawaii, from two sites at the northeastern and northwestern corners of the country—as long as we were fully able to use space-based sensor cueing from BRILLIANT EYES, for example.

I think that is a reasonable move at this time. It may be the case that as the years go on, and particularly, as threats develop such as fractionated payloads—there has been public writing about this recently, of submunitions, let's say of biological weapons, being dispersed very early in the trajectory of an ICBM or a long-range ballistic missile—if we began to see the possibility of something like that happening, we would probably have to move to a rather more full and complete set of space-based defenses of some sort. But for now, this two-site approach is the one I would personally recommend.

Chairman SPECTER. Well, the question that arises obviously is whether we ought to be moving now for something that we don't anticipate until later. But that's the policy judgment.

Senator Kyl.

Senator KYL. Mr. Chairman, Senator Inhofe is going to have to leave in a moment, and I will defer to him until he's done.

Chairman SPECTER. Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Let me just, first of all say, Mr. McLaughlin, I don't agree, and I think it's rather dangerous to say that the NIE is not for the purpose of making policy, because, in fact, the political reality is that when that is out there floating around it makes it virtually impossible for those of us who see this risk that is out there and that is imminent as we believe it to be, to get the job done. And I know what you're saying. I'm not saying that—I'm just saying it is very significant, and I can't tell you on the firing line how many times I heard about this NIE from people of the more liberal persuasion who would rather spend money that we otherwise could spend defending America against missile attacks, on perhaps, social programs. So, I think it's very significant, and it does affect—directly affect—policy.

I want to ask two very simple questions because I get asked these questions, and I don't have the answer. For the purpose of this report, you've excluded China and Russia and their technology, is that correct?

Mr. McLAUGHLIN. Yes.

Senator INHOFE. What was the thought behind that, what was the reason for that?

Mr. McLAUGHLIN. There is previous work done on China and Russia, and those are subjects that we devote a fair amount of attention to. We, in fact, currently have in preparation studies on those two countries. And the thought here in any NIE is always to try and delineate the subject so that it is manageable. And that was essentially it. That because of that body of work, we thought we ought to focus—and in the end the customer who requested it agreed—on the countries on which there had not been as much work.

Senator INHOFE. OK. I would respond by saying—

Mr. McLAUGHLIN. But this was not to in any way suggest complacency with regard to those missile forces.

Senator INHOFE. Well, my response would be that, regardless of where they or what are, our current relationship is with various nations who might have the missiles that could reach the United States, you don't know how those relationships could change. It's lead time that we're talking about here, and it's been very concerning to me. Mr. Woolsey, would share that concern?

Mr. WOOLSEY. Yes, I do, Senator Inhofe. Let me say with respect to the NIE's, the CIA was created in order to have single unified intelligence judgments in order to avoid a Pearl Harbor. That was the driving force behind the creation of the agency and the position of DCI in 1947. The cover of an NIE says it is the personal view of the Director of Central Intelligence.

It is the DCI's job to see to it that the policy community's needs and interests are fairly met by what the professionals, like Mr. McLaughlin and Mr. Osias, are writing and that the rubber meets the road.

So, it is an important function of the National Security Council, on which the DCI sits statutorily, as an adviser, to see to it that

the NIE's answer the questions that the President needs answered, and answer them in a way that is useful to the National Security Council, that is, the four members, the statutory members, of the Council.

So, I think that this question of the scope of the NIE is very important. And I think you can put your finger right on it. But that's where the rubber meets the road.

Senator INHOFE. Let me ask you one last question, because my time is running out.

I have wondered also about a lot of our discussion is on range—is it going to be the continental United States or Alaska, or Hawaii, and if so, how far into the continental United States. And range has become very critical. For the purposes of your report, you make some assumptions on weights of warheads, for example.

What is your assumed weight of a warhead for the purpose of calculating your Estimates?

Mr. McLAUGHLIN. Well—

Senator INHOFE. I've seen 1,000 kilograms. But I don't know if that came from staff or that came from someone else's analysis, or from the report.

Mr. McLAUGHLIN. I have to be very careful about the detail I go into in an open session. But—and Mr. Osias might want to offer a technical definition—generally we're talking a thousand kilograms or 1,200 kilograms.

Senator INHOFE. Yeah, without having to go into it, there is an assumption of some size. Maybe it's a thousand, maybe it is some other size.

Mr. McLAUGHLIN. Yes. Part of the assumption is that countries building ICBM's in this kind of initial attempt to build one, would give serious consideration to having a nuclear warhead. Typically, early generation nuclear warheads are very heavy. So all of that comes into the calculus.

Senator INHOFE. But if you were to cut the weight of the warhead—regardless of what kind of warhead it is—in half, or eliminate it altogether, the same amount of terror is still inflicted. That would have a direct affect on the increase in range, wouldn't it, Mr. Osias?

Mr. OSIAS. Yes it would. We have looked at that. I don't want to be too specific here. We have looked at that and it does extend it. It doesn't change the basic conclusions about the long range missiles. It extends the range of the TD2 a little bit.

Mr. McLAUGHLIN. But the other thing it does is to—if you make assumptions about the sophistication required to get a smaller war head—extend the time line for development.

Mr. WOOLSEY. Senator Inhofe, can I add one point?

Senator INHOFE. Yes sir.

Mr. WOOLSEY. I believe this is an example of over-focus on nuclear. You can get a lot of anthrax into 500 kilograms.

Senator INHOFE. Exactly; exactly.

Mr. WOOLSEY. And I think that the assumption, that the only type of weapon of mass destruction that a rogue state, such as North Korea, might use or try to blackmail the United States with would be a nuclear weapon, is not a correct assumption.

Senator INHOFE. I agree. Thank you, Mr. Chairman..

Chairman SPECTER. Thank you very much, Senator Inhofe.

Senator KYL.

Senator KYL. Thank you.

Mr. Chairman, I think this last exchange is just illustrative of a variety of other deficiencies in the report in which certain assumptions were made and others that were perhaps just as likely if not more likely were largely ignored. Former DCI Woolsey testified, for example, that a biological warhead—and correct me if I'm wrong, Mr. Woolsey—might be more quickly produced by one of these Third World countries than a nuclear weapon: is that correct?

And second, I gather there is agreement that it could be much lighter, as much as half as light as a nuclear warhead. Is that correct? Any disagreement with that, Mr. McLaughlin?

Mr. McLAUGHLIN. No.

Senator KYL. So—and without getting into the range differences—there is a, I would assert, relatively significant difference in range in a missile whose warhead is half as heavy. And given the fact that, as Mr. Woolsey pointed out, the countries that we're most concerned about here may well have motives of blackmail or terror rather than specific military targeting motives, it seems to me, as it seemed to him, that motive should have been considered in that circumstance and that that could have significantly altered the conclusions. Why was that not done, Mr. McLaughlin?

Mr. McLAUGHLIN. Well, I think the first thing I'd want to say is that those alternatives were considered in the course of debating the questions we were asked in the Estimate. Again, I don't want to seem to be holding back, but there are some things I'd rather not go into here, but let me make some general points related to the question of a smaller warhead.

While it might be technically feasible to do that, we had to give some consideration to factors such as how that would be done, and why it would be done. We had to look at some of the technological problems that a country would face in trying to put a biological warhead on a missile and to weigh that against what their alternatives would be for accomplishing that kind of terrorist attack. Given the enormous cost and the enormous investment required to build an intercontinental ballistic missile contrasted, for example, with the simplicity that a group—let's say the Ahm Shinrikiyo group—was able to do its damage, not with biological weapons but with chemicals in Tokyo. When you consider the simplicity of the means for delivering a weapon of terror in that case and the easy availability—no dispute with Director Woolsey's point about the relative ease with which countries can make the biological or chemical weapon—when you add all of that up, it seemed to us that delivery of biological weapons in this manner would not be a very feasible or likely choice, which I want to add very clearly at the end, does not signal in any way complacency on the part of the analysts who did this estimate about the threat of potential of biological weapons.

Senator KYL. I understand that. But it does suggest a judgment which I think is much off the mark because the weapons that have been used, the shorter-range—

Mr. McLAUGHLIN. Right.

Senator KYL [continuing]. Weapons, to be sure, were missiles, SCUD missiles, and they were used for terror, not to destroy military targets by and large.

Mr. McLAUGHLIN. Right.

Senator KYL. And there is more terror involved in a biological warhead than there is in a conventional warhead. So it seems to me that—to the extent that that judgment was discounted, or that possibility was relatively discounted—it is an error in judgment.

Let me go on and make a more general point here and ask you a question, Mr. McLaughlin. I'm trying to synthesize what we have here. The Chairman pointed out the very—the initial point, which is that the consequences of being wrong here are very, very serious indeed, and Mr. Woolsey made the same point. He also—by the way, I gather you were an employee of the agency when Mr. Woolsey was Director, is that correct?

Mr. McLAUGHLIN. Indeed.

Senator KYL. So he was your former boss, I guess?

Mr. McLAUGHLIN. He has been my boss.

Senator KYL. Now, he has just made what I think is an extraordinarily important statement, and if my quotation is wrong, please correct me, Mr. Woolsey. I think you said, to the degree that President Clinton was using this NIE for his veto of the DOD authorization bill, I believe this was a serious error. Does that capture the sentiment you attempted to express?

Mr. WOOLSEY. Yes, that's correct, Senator.

Senator KYL. So that was expressed by your former boss, Mr. McLaughlin.

You have the GAO criticisms which are not insignificant, to borrow a phrase from the NIE with respect to conclusion comparison from 1993 to 1995.

The Gates panel—just a variety of conclusions here. The NIE being hastily included; that it was politically naive; that there was a failure to consider certain things, and that was characterized as foolish; that the scope was too narrow; that there was inadequate analysis; inadequate explanations; that there should have been a discussion of motives; a greater discussion of sea-launched and cruise missiles and other alternative threats; that the MTCR was overstated in terms of its success.

Understated were Russian leakage problems and unauthorized launch; that the primary client was dissatisfied with the report; and so on and so on and so on.

And yet you began your presentation by saying that you still regard the NIE as a sound intelligence product. I suppose the question is, whether it's a sound product or not, is it a useful product for our policymakers, and how can we be confident, in light of all of this criticism—and nobody accuses the GAO of being politically motivated—the Gates panel was an extraordinarily diverse and competent group of people. You've got two former DCI's sitting here who are both extraordinarily talented people, who, in the spirit of constructive criticism, indict this NIE in a variety of very serious ways. How can we be confident that the Agency will be open-minded to constructive criticism—that you'd even pay attention to a red team report, for example—if you continue to be what I would char-

acterize as very close-minded about the constructive criticism of this report.

What confidence can we have that you will listen to these other judgments which you cannot, I think, deny are; (A) offered in the spirit of proper constructive criticism and, (B) from very intelligent and well-motivated people?

Mr. McLAUGHLIN. Well, let me first state as strongly as I can that we are not closed-minded about critiques. If there's anything an intelligence analyst has to be, it's open to criticism, because our business, essentially, consists of skepticism, criticism, and a rather robust give and take on issues of contention. So, we're not closed minded, I assure you.

We don't view—and we have the greatest respect for Mr. Gates and Mr. Woolsey—we don't view the Gates panel report as an indictment, as you characterized it. We view it as a responsible critique. And as I suggested in my opening remarks, controversy—my personal view is that controversy about an Estimate can be healthy and we view it that way.

Senator KYL. May I just interrupt and say, if I used the word indictment there, let me retract that word, because I don't think that the Gates panel would want to use that word. But could we agree that it was seriously critical of the NIE.

Mr. McLAUGHLIN. Let me comment on how critical I think it was.

I read it very carefully because of the respect I have for all of the people who put it together. I count roughly 12 points in that panel report on which it is critical of the work in this NIE. Of the 12 points, 7 are criticisms essentially of the way the findings were presented, but criticisms in the context of agreeing with the essential finding of the Estimate that the likelihood of a ballistic missile being developed to hit the United States by 2010 is low.

Five—and I could comment on those seven, I won't go on at length about them. But five of the critiques were critiques on analytic technique or approach and I believe they're fair critiques but they're arguable—they're arguable. I could dispute every one of them and I don't think we could settle the argument. In a way, a panel report is impressive, but like an NIE, it is not the final word either. Our understanding of these issues comes about iteratively, I think.

If we were to critique the NIE ourselves—for example, much has been criticized about the level of certainty in the first sentence, and Dr. Osias talked about that a bit—I could give you a little bit more of an explanation of why we said it with such certainty. But one of the assumptions we made, perhaps mistakenly, was that in putting that first sentence after a bold announcement that these were Key Judgments, that that sentence would be seen as a "judgment." And I remain convinced that had we substituted the word "judge" for the word "will," the reaction to that sentence might have been a little different. And that's something we probably—

Senator KYL. If you'd done what?

Mr. McLAUGHLIN. If we had substituted the word "judge" for the word "will." That is we "judge" that no country will develop an ICBM capable of hitting us.

Senator KYL. Rather than stating the fact.

Mr. McLAUGHLIN. Rather than stating it as a will. But I don't mean to detract from the high level of certainty with which analysts rendered that judgment.

If I could tell you an anecdote. I've come to respect analysts when they come to me and say they're really rather certain about something. They don't say that very often. In fact, I'm sure Mr. Woolsey and Mr. Gates would agree that the analytic culture tends more toward qualifying things and adding nuances. The anecdote I would tell you is, the last time a group of analysts came to me with this level of certainty, it was to ask my view of their intention to begin an estimate in 1990 with a sentence that read roughly, "within the 18-month period of this estimate, Yugoslavia will fall apart in violent conflagration." And after some consideration, I said let's go ahead. And I've always been glad I did. So, in this case, while the word judge may have helped, essentially what we did in that first judgment was to look at countries that have a track record in terms of developing ICBM's to deduce what we can, and what we have is an historic record—Mr. Gates referred to the lengthy period of time that it took to develop the Chinese missiles—and to apply that to what we could see on the ground in these countries, and that's how we came up with that conclusion.

But to return to your original question and to finish this response, I think your question is how can you have confidence? Well, I think I would want to leave you with the thought that we are not close-minded about this report, that we have taken some lessons from it; that one phrase I wrote down that Mr. Gates used, which strikes me as the one that I would take most away from his report. He said, it would be important to "make explicit what is assumed." I believe that's a critique that we can always apply to the production of National Intelligence Estimates.

So, I would want to leave you with the thought that we are in no way close minded or kind of brushing this aside. But at the same time, if you were to ask me to go point by point through it, I would dispute some of the points and accept others.

Senator KYL. Mr. Chairman, my time is up. May I just make one conclusory statement? Or, would you like to go ahead and then I can follow?

Chairman SPECTER. No, you may proceed. A little more than up, but proceed.

Senator KYL. I hope that you would also agree with Mr. Gates' statement that it is also a good idea to try to compare previous reports and point out the areas of difference and explain any differences that occurred. Would you also accept that second suggestion of his?

Mr. McLAUGHLIN. Yes, that's a good thing to do.

In this case, since you've asked that question, I want to reinforce the point, though, that I think too much has been made about alleged differences between what is said in this NIE and what was said previously. There were two NIE's done before this one. There really had not been an NIE done before on this subject, on the question of ballistic missile development. The two NIE's cited in 1993 were on different subjects with discussion of this as a side bar, essentially. And the Estimates in those NIE's, the time lines, were about the period during which it was likely that these coun-

tries would begin development of a program, which is very different than this NIE, which talked about the realistic projected timetable for actually completing an ICBM.

So I could read you a statement from one of these previous NIE's that is unclassified, and——

Chairman SPECTER. Well, would you make that brief please.

Mr. McLAUGHLIN. And I will not—no, I will not read it.

Chairman SPECTER. You're not going to read it?

Mr. McLAUGHLIN. I'm not going to read it, but my point is simply that it addresses this issue and shows the consistency.

Senator KYL. I'll follow up on that later, Mr. Chairman.

Chairman SPECTER. We're going to conclude now, Jon.

Senator KYL. Oh, well, Mr. Chairman, I—there is much more that could be adduced here. May I just ask a question and then make a suggestion? The question is, could we submit some questions for the record——

Chairman SPECTER. Oh, absolutely.

Senator KYL [continuing]. For these witnesses, and would each of—particularly Mr. McLaughlin but——

Chairman SPECTER. We're now 12:25, about 3 hours since we started.

Senator KYL. We'll just do it that way then, if I could submit some questions.

Chairman SPECTER. Sure.

Senator KYL. And then second, I'd like to make this suggestion, and if anybody on the panel would like to respond, I'd appreciate their response, just with a one-word response would be fine.

But it seems to me that it would be very useful, given the nature of this particular threat, which I think everyone has acknowledged is one of, if not the most critical, threat that we've got to deal with in the future, and given the confusion that's attended this particular report, and given the need to make significant policy decisions on it in the future, for example, the President's view of a national missile defense is that we may not need it quite yet, and he's not exactly sure of what type we need, because the information is not necessarily conclusive as to the threat, and if that position is correct, it will have to rely significantly on the quality of our intelligence Estimate about the nature of the threat.

So the Administration's position in that regard is not different from my position. For example, I think there's no Republican-Democrat difference in the need for good intelligence for us to base a judgment about a national missile defense system on.

And therefore, my suggestion would be, and perhaps we could transmit this to the Administration, is that there be any annual National Intelligence Estimate on the threat from ballistic missiles, defined in the broadest possible way, to include, for example, the threat of blackmail or terror. And that when that threat is updated each year, that NIE is updated each year, that there be a discussion of the difference from the previous year, if any. And——

Chairman SPECTER. Senator Kyl, I think that's a good idea. We can ask the President to do that and we can put it in legislation. But I don't think we're going to move that along anymore in our hearing today.

Senator KYL. No, I understand. But if that's a bad idea, I'd like to hear it. If not, then I do—I will pursue that with you in whatever way is appropriate to communicate that to the Administration.

Chairman SPECTER. Well, let us ask the witnesses to give you written response on that, if we may. And we'll hold the record open for additional questions.

Mr. Davis, you have something to say?

Mr. DAVIS. Mr. Chairman, could I have just 1 minute?

Chairman SPECTER. Go ahead.

Mr. DAVIS. I just feel that I'd like to make a comment or a response to the comment that Senator Kerrey made. I thought I might have had an opportunity—

Chairman SPECTER. Go ahead, Mr. Davis.

Mr. DAVIS. It had to do with our relationships with the Intelligence Community and so forth. And I'd just like to say that over the years, the GAO has evaluated numerous intelligence-related programs and our reports have been very useful to Members of the Congress. I think that our presence here today is an indication that we can bring something to the table as it relates to these programs, and that for this to continue, we're going to need the support of you and other Members of the Congress to help us do that. I think that we can make a contribution. We have made a contribution. And for us to do that, we're going to need the support of the people in the oversight community, the Congress.

Chairman SPECTER. Well, thank you for your comment, Mr. Davis. Senator Kerrey was making the point that this Committee does the oversight as opposed to GAO. But that's a big subject, and we'll have to take it up at a later time. We're right at the 3-hour mark, and we'd like to conclude the hearing with our thanks to this panel. And I believe that this has been an extraordinarily productive hearing, and I thank my colleague, Senator Kyl, for his leadership on this issue. There have been some sharp differences of opinion today, yesterday, will be in the future as to what Senators ought to say. But the First Amendment applies to all of us, even Senators.

This has certainly elevated the level of debate very substantially, and when I ask Mr. Osias the questions and Mr. McLaughlin chimes in, I understand the intelligence assessment, and I understand the delineation. And when I refer to the President's veto message, where he vetoes the Department of Defense authorization bill, and puts as his first reason the assessment by the Intelligence Community that the threat doesn't exist as articulated by the Congress, then that is a political judgment on the President's part, beyond any question. It's taken issue with directly by quite a bit of the testimony, by Mr. Gates, Mr. Woolsey, forcibly by Mr. Woolsey, I think by Mr. Gates as well, that the possibility of a mistake is too costly to have a potential for an error if we don't need a missile defense system by the year 2010. If we're wrong, it's just too costly.

And I can understand that the technical intelligence experts are giving an evaluation as to what they conclude on the evidence at hand. This hearing, I think, to repeat, has been very useful to elevate this discussion, and it isn't going away. It's going to be back. When Senator Kyl raises the point about the information that ought to be contained in the report, that's something that I'll co-

sponsor with you, Jon, this year, to try to put that as mandate of law.

But we thank you very much for all of your service and for being here today. And that concludes our hearing.

We stand adjourned.

[Thereupon, at 12:30 p.m., the hearing was adjourned.]



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